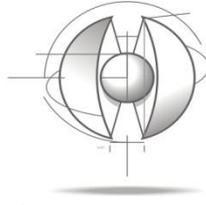


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SERRA CENTER CITY COUNCIL WORKSHOP





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Serra Center Market and Economic Analysis

August 20, 2015



Contributors:

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August 20, 2015

Darryl Boyd, Senior Planner
City of Milpitas
Community Development and Neighborhood Services
455 East Calaveras Boulevard
Milpitas, CA 95035

Subject: Submittals for the staff report for the September 1, 2015 City Council Workshop on Serra Center

Dear Darryl

Please find the attached submittals as a follow up to our meeting with Mayor Jose Esteves and City Manager Tom Williams on Monday August 17th. We were informed we could proceed with the City Council workshop at the earliest available City Council meeting.

The Serra Center team has conducted additional research and analysis in response to the comments received from the EDC and Planning Commission workshops and the meeting with senior city staff on June 1st. Our market/economic analysis is complete and included with this submittal. We modified the project design and program in response to the preliminary analysis findings and discussions with staff, the EDC, Planning Commission, and with City Council members and community leaders.

Agenda for the workshop:

- 1 Staff Report to City Council
2. Sharing Information (20 minute PowerPoint presentation by Serra Center and Q & A by the City Council)

- Lessons learned from the workshops and meetings with staff

- Results of the market study and economic analysis: Opportunities and Constraints for development of Serra Center
- Response to June 1st meeting Staff comments and questions Identifying a market supported and economically viable development program
- Evolution of the project design direction and current design images
- Relationship to the Midtown Specific Plan
- Relationship to City economic development objectives
- Relationship to community aspirations

3. City Council Workshop/Brainstorming

- Receive questions and comments from the City Council
- Brainstorm ideas for the project in the context of the opportunities and constraints for the project and the community
- Summarize the workshop outcome
- Discuss next possible next steps

We have included the following documents for inclusion in your staff report:

- Meeting notes from the Planning Commission Workshop
- EDC Workshop presentation notes
- Meeting notes and response from the Senior Staff meeting June 1, 2015
- Market/economic analysis executive summary and supporting documents
- Project exhibits including a site transverse section, phasing and orientation plans and, perspective renderings

The following presentation material will be supplied:

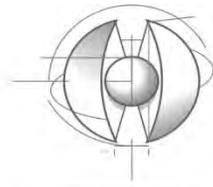
- PowerPoint Presentation (to be provided prior to the City Council Meeting)

Please contact me if you have any questions, would like to offer input or guidance or need additional information for your staff report.

Sincerely,



Jeffrey D. Rhoads, RA LEED AP



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Planning Commission Workshop Meeting Notes

Serra Center Project

By Jeffrey D. Rhoads

February 25, 2015

Staff Presentation by Adam Petersen and Steve Mc Harris (SMH)

1. *The Midtown Specific Plan states in several places a desire for first class office on the Serra Center site as a gateway project for the midtown area*
2. *The office overlay places additional focus on the site for office development*
3. *Specific Plan policies referenced include 3.16 Retail, 3.17 Office, 3.18 Density Bonus for office (FAR of 1.5)*
4. *Reference was made to the Cal Poly SLO planning project and the value of the work as a source of ideas if not site-specific planning solutions. An emphasis was placed on retail and entertainment on the Serra Center site rather than office.*
5. *A reminder was provided to the commission regarding the emerging policies in the city against changing zoning in commercial and industrial areas to classifications allowing residential.*

Planning commission comments in response to the staff presentation:

1. *Chair Mandal: Pacific Commons is an example of the development type and quality he would like to see for Serra Center. He asked if input by the Milpitas Economic Development Commission has been received on Serra Center Project (SMH: not to date). He encouraged the owner and development team to not undersell the site.*
2. *Commissioner Maglalang: Felt Santana Row was a good model for the kind of development he would like to see on the site. He suggested underground parking. (SMH: Noted that housing is a significant component in the Santana Row project)*
3. *Commissioner Sandhu: Asked the status of the last plan for Serra Center. (SMH stated the plan did not move forward due to the recession The owner is in the process of collecting input form stakeholders to prepare new submittals to move forward with a Serra Center project)*
4. *Commissioner Madnawat: Stated he was inclined to support increases in FAR for the site.*
5. *SMH Reminded the commission about some of the different classifications of mixed use in the city's zoning code. Some allow residential anywhere in the zone and MXT-2 requires commercial on the ground floor.*

Gary's Presentation of slides 1 – 7

1. *A Commissioner asked if a convention center had been considered for the site. Gary indicated this use had not been considered.*

Jeff's Presentation of slides 8-15

Slide 8 People and Iconic

1. *Commissioner Maglalang: Expressed a desire to see the kinds of uses developed on the property to be targeted to be more affordable. An example given was smaller housing units for people entering the workforce. He also recommended visiting Alviso Adobe Park and Murphy Park for Milpitas historic References. A specific reference to little cornfields was made.*
2. *Commissioner (?): Would like the project to have as mall town feel and felt the agricultural imagery was appropriate.*
3. *Vice Chair Ciardella: Likes the crop circle idea and expressed a need for people places in Milpitas where folks could relax, hang out and enjoy a cup of coffee.*

Slide 9 Creekside Trailways

1. *Chair Mandal: Felt the team's emphasis on creating nice spaces along the creek edge was appropriate.*

Slide 10 Street Events

1. *Chair Mandal: Encouraged the team to consider the bigger picture and Millennial values on the environment. Think long term. Consider alternative energy and sustainability*
2. *Commissioner Madnawat: Stated the site has been in commercial use longer than any other in Milpitas (This is not believed to be correct and may be mistaken for the village crossroads at the intersection of the Milpitas/Alviso Road and Oakland/San Jose Road today's intersection of Serra Way and Main Street). He thought the site should reflect Mission traditions.*
3. *Commissioner Morris: Referenced Seattle as a city that has walkability and an emphasis on Millennials*
4. *Commissioner Malalang: Liked City Walk (Universal City Los Angeles) as a reference for family oriented places*

Slide 11 Additional Main Street Images and Junipero Edge Conditions

1. *Two commissioners Madnawat and one other suggested moving the parking structure to front on Junipero. The idea of upholstering the parking structure was not well received. It was felt the units would only have windows on one side and wouldn't be desirable.*
2. *Commissioner Madnawat: Wasn't enamored with straight residential along Junipero.*

Slide 12 Residential Alternative

1. *Commissioner Morris: Seemed to support the idea of a lower density residential transition to the Junipero neighborhood.*

Slides 13-15 Building Massing from the northwest, Gateway to Prosperity,
Perspective view down Serra Way

1. *Vice Chair Ciardell and others liked the gateway plaza concept and pavement based on the crop circle idea.*
2. *A Commissioner Expressed a concern about the ugly higher building on the plaza (The team responded This is the proposed location for an iconic building that hadn't been designed yet. The perspectives are conceptual massing models and not yet architecture)*
3. *Commissioners Morris and others: Responded favorably to the idea of LED panels incorporated into the buildings both on the main addressing street and the gateway plaza.*
4. *Chair Mandal: Was concerned the pork chops were not part of the gateway scheme. (SMH expressed the city's willingness to take the lead in working with Caltrans to incorporate the pork chops into the gateway)*
5. *Several commissioners expressed support for the design direction of the project. Commissioner Sandhu expressed a concern: Will the owners be able to implement all of the grand ideas and stick with the project through the multiple phases? (Team response: The project hasn't been designed yet and the objective is to get your input. Also by acting prudently, having housing as a component, and designing each phase in response to the market at the time of roll out the project would be successful)*

Respectfully submitted Jeffrey D Rhoads

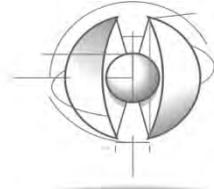
The following are meeting notes provided by Steven McHarris in an e-mail to Gary Wong:

Hi Gary-

The next step will be to present to the Economic Development Commission. I will be working with the staff liaison to that Commission on a date. I would recommend you address each of their requests and points in your plans and for upcoming presentations. Adam Petersen will continue to be your Project Planner/Manager and you primary point of contact. The following is a brief summary of comments that I noted during the Planning Commission study session:

1. *Take item to Economic Development Commission*
2. *Enhance Economic Support of City*
3. *Obtain ideas from an economic team*
4. *Do not underestimate Milpitas*
5. *Look at Fremont Pacific Commons Center as example*
6. *Provide staff with experience in similar past project examples*
7. *Incorporate Cal Poly vision study*
8. *Work with Cal Poly to further the concept*
9. *Santana Row style activity*
10. *Revisit Floor Area Ratio*
11. *Gateway to the City*

12. Residential will be above commercial (no ground floor residential)
13. Iconic appearance needed
14. Affordable commercial and residential rents
15. Serra Center theme, historic.
16. Look at Alviso Park for history
17. Attractive, enjoyable spaces and experience
18. Incorporate alternative energy solutions
19. Beautify and orient toward adjacent creek channel
20. Emphasize pedestrian design
21. Design for convertible internal street(s) (can be closed for festivals, events)
22. Not in favor of residential along Junipero
23. Consider moving parking structure closer to Junipero, no residential.
24. Work on Serra Calaveras "pork chop" for gateway design.



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Planning Commission Presentation

Serra Center Project

By Jeffrey D. Rhoads

April 15, 2015

Serra Center/ Milpitas Economic Development Commission Workshop

April 13, 2015

1. Introductions:

- Thank staff and EDC (Tom, Steve, Adam) for the opportunity to meet this evening
- Owner: Henry Horng
- Project Team Leader: Gary Wong of ArcheSpace
- Development Director (primary responsibility for entitlements and environmental clearance Serra Center): Jeff Rhoads
- What we do must be economic viable: no one wants a failing project
- The owner has not bias for any particular land uses - their primary concern is to be economically successful and build a project we can all be proud of
- It is time to move from conceptual planning to preparation of an application for a viable project

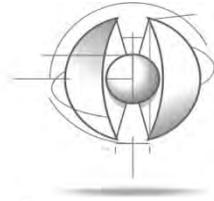
2. Purpose:

- Identify solutions that meet the city's and owners planning and economic development objectives
- Gain your input and expectations regarding economic development objectives in a context of what is supportable in the current Milpitas market
- Arrive at a mutually acceptable approach to conduct market focused economic analysis for the project

3. Overview (Slide 1)

- Owners purchased the property prior to the recession
- Revival of the economy and renewed project focus
- Conceptual consensus with Staff, Planning Commission, community stakeholders on the project design: Massing, Circulation – the idea of an internalized addressing street, Design theming, Circulation Framework and the notion of Gateway to mid town.

- Some variance in point of view regarding what can be a successful program
 - We have assembled a team to move forward with land uses applications, a specific plan amendment and EIR
5. Key Market and Economic Factors
- Managing different least expiration dates: (This is not an unencumbered site)
 - Defining a development program for the initial phase that responds to market realities and meets our shared goals
 - Submitting a revised plan with viable products for the first phase
 - Designing the project, lease terms, reciprocal access and egress agreements with flexibility for later phases
 - We can't know exactly what build out will be as it will need to respond to changing market conditions and development phases over time
6. Some lessons learned
- In our efforts to engage consultants for economic analysis we identified three different perspectives and have proposals addressing each:
 - Brokers point of view: (Colliers Land Advisors)
 - Conventional empirical economic analysis of various product types: lease rates, vacancies, absorption velocities and the like: (Concord Group, Gruen Associates, and EPS)
 - A more nuanced point of view of merchandising retail, restaurants and entertainment and symbiotic relationships with other uses. (Main Street Property Services)
 - Our current plan (even if possible to proceed as a single phase development) doesn't meet cash on cash return expectations of equity investors or lenders
 - We will likely need to consider distributed parking and start off with a development program that can evolve with the market over several phases.
7. Milestones
- Conduct economic analysis that tests the current program and identifies viable product types and provides the basis for a revised program. Simply looks at what is possible now: Scope finalized proposal approved by May 1.
 - Present findings to a joint City Council/Economic Development Commission/Owner Workshop (Beginning of June)
 - Owner revises the conceptual design program for the project, submits land use applications, and applicable fees (Mid June)
 - Staff and Owner staff ifinalize scope for land use actions and EIR (Mid July)
9. EDC Input
- Open up to the EDC for input
10. Next steps.



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Milpitas City Senior City Staff Comments and Questions

Meeting Date: June 1, 2015

Serra Center Response Italicized and completed July 24, 2015 Rev Aug 10, 2015

Meeting Attendees:

City of Milpitas

Edesa Bitabadal, Economic Development Manager

Darrell Boyd, Planning and Neighborhood Services Project Planner

Bill Ekern, Planning and Neighborhood Services Interim Director

Adam Petersen, Planning and Neighborhood Services Senior Planner

Serra Center

Gary Wong, Principal ArcheSpace GWSC

Henry Horng, Owner Serra Center

Jeff Rhoads, Director Entitlements, Planning and Urban Design for ArcheSpace GWSC

Meeting Purpose:

- Present Serra Center's preliminary findings on market conditions and economic viability of various land uses for the property
- Present Serra Center's preliminary development phasing findings for the property
- Present Serra Center's initial findings for a proposed Phase 1/1A development program
- Seek input for input, comments and guidance from City Staff

Comments and Guidance From City Staff:

Edesa Bitabadal

1. Economic Development's primary objectives are to preserve and enhance the city's fiscal health by promoting activities that generate tax revenues and provide jobs.

So noted

2. Making sure that the community has a diversity of commercial and employment activities to support a range of choices and a high quality of life is also a priority.

So Noted

3. The city views land use decisions in the long term. Conversion of commercial and industrial land use to residential is seen as a decision that permanently removes these properties out of the city's inventory of land available for the generation of tax revenues and employment.

So Noted

4. Presently and in the recent past (following the recession) the city has received many requests to convert industrial and commercial lands to residential. A number of these have been approved. There have been a couple of recent discussions with project proponents to consider conversion of strip shopping center sites to residential.

So Noted

5. The city has received recent inquiries from potential investors regarding the Serra Center Site regarding potential for acquisition or participation in development.

Serra Center welcomes any referrals from the city including potential tenants, build to suits and purchasers.

6. A potential restaurant operator has expressed interest the King Egg Roll Building.

Serra Center welcomes any referrals from the city including potential tenants, build to suits and purchasers.

7. The city views the Serra Center site as the prime development opportunity property in the city.

The owners also view the site as a prime development opportunity. However, constraints are placed on the site by the marketplace, real estate economics, existing leases and location limitations such as the adjacent land use context. Visibility is lacking from I 880 and constrained by a narrow view window on Calaveras Boulevard for the initial phase of the project.

The owners are committed to pursuing the highest and best use possible consistent with prudent economic analysis and risk including meeting or exceeding lender expectations for return on investment. If these criteria are not met financing will not be available for the project to be implemented.

8. A potential use that could be used as an anchor for the site in addition to a grocery store is a Fitness Center. Based on observations elsewhere in the Silicon Valley, this kind of use has the potential to activate adjacent food and beverage, retail, and services.

A potential incentive for including a major fitness center in the project is increasing foot traffic and associated sales in adjacent retail and restaurant space. In this scenario the rent for the fitness center would cover costs of construction and associated operating expenses but support higher rents from retail and food /beverage tenants. These higher rents would presumably offset the higher costs and in many cases non-existent return for the fitness center. This loss leader approach commonly applies with highly desirable anchor stores in a regional shopping center.

Subsequent to the meeting, the owners' team contacted brokers to determine fitness center operators in the market for sites in the Milpitas area, their programmatic requirements and

transaction terms. The findings did not support the scenario identified here. Trends in the full service fitness center business are to build “category killers”. Like a casino, their business model is based on providing a one stop immersive experience. You go in but you never leave! Fitness centers now provide a range of services including point of sale for soft goods and dietary supplements, day care and food and beverage sales. Unfortunately they act as destinations that don’t support adjacent tenants.

Additionally, current transactions in Milpitas at \$ 2.00 per sq ft VS \$ 3.00+ per square foot in Cupertino do not deliver sufficient rents to support the highly specialized and costly building type and high parking ratios. This use requires high ceiling heights, larger clear span spaces and elaborate mechanical systems. The land use type doesn’t meet return expectations in either Milpitas or Cupertino. It doesn’t support land values and construction costs.

Smaller fitness tenants including yoga, cross fit and similar tenants can be accommodated in conventional retail space and support external retail and services. These tenants match rents similar to other retail tenants and will be considered viable tenants for a retail center.

The project team continues to consider a specialty grocery store as a possible tenant for the project. The economics are challenging, as the rents are lower, the space is specialized, there are large service area requirements and higher parking ratios for this type of use VS conventional retail. Cross shopping is also not as robust as desired since possession of perishable and frozen goods discourages shopping elsewhere.

9. Consideration of anchors and branding for an “A” retail center is important. *The ownership team is committed to an effective retail strategy and land use context that will be viewed by potential tenants as a quality retail location if not class “A” as defined in the trade as a high sales volume per square foot regional shopping center or highly productive glamour retail street location. Unfortunately many credit tenants (Apple, Gap, Anthropology, Tesla, Channel and the like) will not likely consider this an appropriate location in the regional context.*

10. A hotel operator has expressed an interest seeking a site in Milpitas. *Serra Center welcomes any referrals from the city including potential tenants, build to suits and purchasers.*

11. The city is having difficulty retaining industrial users due to a lack of suitable space. *So noted as a reference to the desire to maintain a robust employment base and land suitable for non-residential uses in the city. However, both the Mid Town Specific Plan and the owner do not anticipate industrial uses for this site.*

12. Edessa pointed out challenges associated with leasing vacant space at McCarthy Ranch and building out some of its vacant parcels due to the negative impact of the adjacent landfill operation northwest of the properties. She suspected this could be the cause of McCarthy Ranch vacancies rather than regional office demand.

The owners’ team contacted brokers and others to dig deeper into the Milpitas/International Business Park class “A” office market and more specifically the Golden Triangle and McCarthy

ranch markets subsequent to the meeting. The team sought answers to two initial questions: How much actual class "A" office space is in the Milpitas market, is there a differential in rents and vacancies between the Golden Triangle (the area south of SR 237 between I 880 and US 101), and if so why.

Research Findings:

- The class "A" office market is quite limited in Milpitas IBP market, less than 320,000 square feet. A substantial inventory of high quality class "B" space is available at McCarthy Ranch and the Milpitas portion of the "Golden Triangle". This class B space is also commonly referred to R&D space. It is typically available in recently built 2+ story tilt up buildings designed for tech tenants seeking large floor plates. Irvine Company's McCarthy ranch inventory has extensive well-landscaped surface parking, common areas and amenities such as a Pete's Coffee that also serves food. The project exhibits the characteristics of a well managed and maintained master planned business park. This includes first class maintenance of buildings and grounds, a consistent signage and graphics program and programmed activities for tenants. The property has vacancies in the mid teens, a large inventory of available space, sublease rents in the \$1.00 per foot range (asking rents in the \$ 1.60 range), visibility from I-880, and an established and respected brand. This represents formidable competition for new properties within the submarket area. Additionally there is a large inventory of vacant land with available utilities immediately available for development.
- A low-rise steel frame office building with structured parking on the Serra Center site would require rents in excess of \$3.00 per square foot to be economically supportable. The parking structure costs would need to be amortized solely through office rents. Pay parking would not be competitive in a market where free parking is the norm. The current submarket will not support the rent required for a viable project.
- A June 25, 2015 Interview of a long term employee of a company at the McCarthy Center offered the following observations: Odor from the landfill was noticeable inside of the buildings at the Irvine Company operated properties approximately 5 years ago. The landlord installed filtration equipment in the HVAC system (The tenant's employee said it was a carbon filtration system). Ever since the filtration equipment was installed odor has no longer been noticeable inside the building. In addition exterior odors are much less evident. (The tenant's employee believes this is due to a misting system on the perimeter of the landfill property).
- A subsequent interview with an executive of Irvine Company (owners of office/R&D space inventory at McCarthy Ranch) confirmed Edessa's observations about proximity to the landfill having a potentially negative impact on leasing. The executive noted the ongoing challenge of achieving full occupancy of their holdings. While he did not attribute this solely landfill proximity, it's a factor. Indoor air quality and odor is managed. Odor outdoors is dependent on wind direction and mitigation efforts by the landfill operator. He noted this was less of a problem on the southern portions of McCarthy Ranch. Unfortunately brokers, tenants, lenders and investors analyzing the Serra Center property consider McCarthy ranch rents in sub area market comps.
- Total Milpitas IBP (A+B) inventory is 830,112 sq ft. Available space (vacant and sublease) in the market is 104,066 sq ft. The current available inventory equates to 12.5% of total. The average annual absorption over the last nine-year period for combined A and B space is 3,684 sq ft. The market has been quite volatile with negative absorption in the years 2008

through 2010 (the recent recession), and positive absorption from 2011 to present. Average annual absorption since the recession has been 32,683 sq ft. If this rate is sustainable, the available inventory will take approximately three years to lease up. (Source CBRE 6/16/15)

- Market data doesn't differentiate between the Golden Triangle and McCarthy Ranch. Antidotal evidence suggests the lease rates are higher and the vacancies lower in the Golden Triangle. According to brokers this isn't due to proximity to the landfill. Golden Triangle is perceived in the market as a preferred location. Reasons given include: Golden Triangle has a critical mass and concentration of tech companies, and it's a well-established sub market.

13. Edesa encourages Serra Center to look ahead longer term and anticipate market conditions beyond the current. (Perhaps 3 to 5 years ahead and greater)

The owners are committed long term to the Serra Center site. Financial prudence requires that each phase of the development is self-sustaining in the market that exists at the time it's built and leased. Any other action would result in failure for both the project and the city.

14. Pacific Mall is a regional shopping center the city sees as a model for class "A" retail space of the type they would like to see on the Serra Center site.

The project owners will continue to track the progress of the Pacific Mall and learn from its example. We would like to know more about the tenant mix for the mall. A different retail merchandising and branding strategy will be needed to successfully differentiate a project on the Serra Center site from competitors.

Bill Ekern

1. The housing issue is a both a political as well as a fiscal one. Staff, city council members and the public have voiced growing concerns about the impact of housing growth on the fiscal health of the city and quality of life. While some of these concerns may be misplaced, perceptions are very important.

The project owners are very sensitive to the public, city staff and the City Council concerns and are seeking land use solutions for the Serra Center property that reflect community values and aspirations while being economically feasible. We understand the city's fiscal objectives related to land use.

2. Even if the city's fiscal and services concerns can be addressed technically, the political issues remain. A project that includes housing on a commercial site must address the political issues to receive support by staff and the city council.

So noted and acknowledged. We will continue to seek guidance from staff and elected and appointed officials. The project team plans to engage in a community outreach effort. We are focused on reaching out to the community to understand their desires and concerns and gain their input on a development concept we believe will work on the site.

3. Perhaps it may be possible to provide housing on the site in either a vertical or horizontal mixed-use format if adequate commercial/employment uses are also included on the site.

This may well be a workable solution and will be considered in preparation for any land use actions for the project.

4. Affordable housing is now a major concern by the city as reflected by comments received from the city council as recently as yesterday. A moratorium on housing approvals has been broached to consider identifying ways to address this problem. The city has not required residential projects to include a percentage of the units for reduced purchase price or rent. No in lieu fees for affordable housing have been required and none have been collected.

Entry level market rate housing and other lower cost homes types including senior housing are not currently being delivered in the Milpitas market. These will be considered in more detail market and economic analysis as the project progresses.

5. Consider a live work option along South Abel as a potential use for the critical visual frontage along this major arterial roadway and for its relationship to the Mid Town Mixed use district.

The project team will give this consideration.

6. Bill asked if the owner had offered the property for sale to other potential investors interested in proceeding with a first class office project on the site.

The owner has not entertained any potential investors or purchasers for the site at this time. Our market analysis conclusions don't support a compelling case for office this location other than modest amounts of professional offices seeking a more retail environment. If the city identifies a user for a build to suit, the owners would welcome any referrals.

7. He asked if providing a first class office development on a portion of the site would equate to an incremental land value increase for the remainder of the site.

If the site were sufficiently large to build a sizable inventory of office space that could achieve market support, tenants and their brokers might consider the location a viable submarket. This scenario would equate to a symbiotic mass of office use that could support higher lease rates. Unfortunately this would require an order of magnitude more space than can be accommodated on the Serra Center site (or be supported by the market). Additionally McCarthy Ranch has a substantial inventory of completed office space and a very large inventory of served vacant land available for new office projects. No new office projects are proposed or under construction. This is compelling evidence of a weak submarket. Our conclusion is an incremental land value increase would not be realized on the remaining inventory from office development on a portion of the site. An unsuccessful office project would likely have a detrimental impact on adjacent land values.

While it's not uncommon to see support retail and services associated with successful and sizable concentrations of office space there are some significant challenges. These include:

- *Retail activity success is influenced by the success of the office leasing. High development and construction costs, high vacancies and low rents bring into question the probability of success for conventional office on this site resulting in no benefit to adjacent retail.*
- *Poor shared parking profiles as both activities parking needs tend to overlap.*
- *Office centered retail requires massive amounts of office space (Embarcadero Center in San Francisco is a good example of this).*
- *Office centered retail has difficulty driving foot traffic after 6:00PM.*

- *Retail on this property will likely derive a substantial majority of its customers from off site regardless of other on site non-retail uses.*
8. The Integral site proponents are seeking modifications in the entitlements to allow 100,000 square feet of retail.
The project owners will continue to track the progress of the Integral Site and learn from its example. A different retail merchandising and branding strategy will be needed to successfully differentiate a project on the Serra Center site from competitors.
9. The Pacific Center Project is seeking adjustments in its entitlements that do not result in a reduction of the retail or the hotel.
The project owners will continue to track the progress of the Pacific Center and learn from its example. We would like to know more about the specific uses. A different retail merchandising and branding strategy will be needed to successfully differentiate a project on the Serra Center site from competitors.

Darrell Boyd:

1. Proposed Phase 1/1A lacks critical mass. Has the owner looked at the cost of buying out existing leases to determine if this makes economic sense and results in a better project?
The project owners have and continue to consider the possibility of buying out leases from tenants. Unfortunately the length of critical leases will result in very high buy out costs. This adds to the imputed land values, which are already quite high due to the income generating uses on the property. Buying out leases could be justified if a compelling land use or uses with high potential returns could be identified for the property. The market analysis has not identified such compelling uses in spite of the team's motivation to do so.
2. The City will likely ask the developer to provide a fiscal impact study to the city particularly if the development proposal reduces the scope of commercial and/or office development from what was proposed in the Mid Town Specific Plan.
This is a request that none of the project team members (with many years of land development experience) have ever encountered. We are concerned the assumptions would be highly speculative. The uses envisioned in the Specific Plan reflect desires and intentions identified through the Specific Plan process; however, they are not based on market conditions or real estate development economics. We suspect the fiscal impact of vacant office space (as an example) would be far less attractive to the city than other successful uses including retail, professional offices and residential accessed at current market values and generating taxes at current levy rates.
3. Has the owner considered identifying alternative sites in the city that would be better suited for office development than Serra Center and contractually restricting development of other site/s or transferring development rights as a condition of approval for residential on Serra Center? Edessa pointed out that this must not result in net loss of commercial/employment in the city.
This is also a bit out of the norm and may require a landowner or landowners willing to accept development restrictions on their land. While we would consider transfer of development rights

to another parcel or parcels not owned by Serra Center our preference would be to transfer these rights (such as the O-O overlay and increased FAR) to future Serra Center development phases.

4. If a mixed-use development were approved for the site, a likely condition of approval would be construction of the commercial office components before the housing components.

While we are sensitive to the city's concerns, in all probability the owners would want components of a mixed use project to move forward concurrently considering the following: 1) Much of the building inventory would likely be vertical mixed use which would be designed to be built at one time, and 2) The project economics and marketing strategy would be to implement a complete environment and minimize disruptions to tenants associated with multiple small phases. In addition the success of the project would be based on creating a compelling district with extensively used and well-loved public and quasi-public places.

5. The City Council Workshop is scheduled for August 18th.
So noted and on our project schedule.

Meeting notes respectfully submitted by Jeff Rhoads June 2, 2015

Serra Center Market and Economic Analysis

Executive Summary:

Based on August 8, 2015 model run (rev August 19, 2015)

Purpose:

The Serra Center preliminary Market and Economic Analysis (Analysis) has two primary objectives. These are: 1) To inform the owners of land uses and building types that are supportable by current local and regional market conditions and 2) To provide the project team evidence based findings to inform city staff, the community, elected and appointed officials of development scenarios that are most likely to be successful on the Serra Center site given the constraints of the Milpitas market and regional construction practices and costs.

Methodology:

The market portion of the Analysis is based on data commonly available in the brokerage community as well as proprietary information available to the Analysis team members. This includes the specific knowledge of the team members, and interviews with brokers, potential tenants, contractors and construction managers.

Serra Center design documents are conceptual and are subject to considerable revisions and refinement as the project proceeds through land use actions, specific plan amendments and environmental clearance. The market conditions will likely change significantly as the project works through this process. Since the design is conceptual, hard and soft cost estimates are based on unit costs and building square footages (for example costs per square foot and per parking space) rather than more detail line item Construction Specification Institute (CSI) estimates based on quantity take offs from a highly developed set of construction documents.

This Analysis is a first pass. It will need to be supplemented with more robust and detailed analysis as the project proceeds to delivery. This will enable the owners and project team to target the land use product types based on up-to-date market information and tenant negotiations. Lending terms and requirements will also be better defined. In addition the project design will be much more complete enabling a higher level of confidence in cost estimating.

Location

Milpitas lies between Fremont, Santa Clara and San Jose. Serra Center is the geographic center of Milpitas.

The property is well located with frontage on Highway 237 approximately ¼ mile east of the Interstate 880 interchange. High traffic volumes, excellent access and visibility and proximity to the core of the

Silicon Valley provide opportunities to be capitalized on. This is also the route to Milpitas' City Hall, which creates tremendous expectations of being the front door to the city. The design currently includes significant design elements such as a gateway plaza, a main addressing street with park plazas, special pavements and features such as structures reminiscent of barns and silos. And although these design elements increase the cost of the project, they are likely to be required in some form to satisfy the city and support project success.

Modification of driveway locations and curb cuts required for access and egress for more intensive land use will require approval by the city and Caltrans. There may be additional costs for queuing lanes and traffic signals that have not been incorporated into the projections.

Property

Serra Center is a redevelopment project situated on 16.49 acres. There is 93,326 square feet of existing leasable area including a Big Lots! anchored shopping center with pad buildings. The building area excludes two motor inns on ground-leased parcels. The leases for these parcels expire far into the future. One NNN lease tenant, a Walgreens, is both long term and high value. Phasing of the project will be timed to allow leases to expire to avoid buy out costs. These were not a part of the costs included in the Analysis.

Zoning

The zoning is currently C-2 general commercial with O-O office overlay on the portion of the site east of the Walgreens and Days Inn.

The project is subject to the Mid-Town Specific Plan. The plan contemplates a gateway development of retail and Class "A" office on the site. A recently passed ordinance has placed a moratorium on the conversion of retail and industrial land to residential or mixed use allowing residential. Up to the recent past, the City of Milpitas has approved zone change of a number of retail and industrial/office properties into classifications that allow residential. The city has made clear their intent to not allow this to occur until the existing inventory of zoned land permitting residential is 85% built out. They are currently committed to requiring commercial uses that provide employment and positive tax revenue on the Serra Center site. In a recent meeting with the City Manager, Mr. Williams mentioned the new ordinance is likely not applicable to the Mid Town Specific Plan area. This will require verification. Regardless, a compelling case will need to be made for residential land use as part of a mixed-use project. The community is concerned about quality of life issues such a school crowding and traffic congestion impacts of large new housing developments.

This Analysis has demonstrated a mixed-use format including higher density residential above retail with additional single use residential buildings as the only currently viable development scenario. Feed back from the community, and elected and appointed city officials has demonstrated a nearly universal desire for a Santana Row mixed use environment in the Mid Town area. Santana Row required a major residential component to achieve financial success that was not initially assured.

Below Market Rate and Entry Level Housing

Milpitas currently does not require Below Market Rate (BMR) residential units as a condition to development approval. This is commonly required in other Bay Area cities. As such has it has provided entitlements to projects that are market or higher than market rate and have not produced any BMR units. A major recent concern expressed by the City Council is the lack of affordable housing. The community may view Serra Center's ability to provide housing opportunities for entry level, senior and other underserved populations as beneficial.

Market

Each of several different types of products including office, retail, residential, hotel and other miscellaneous uses have been investigated to determine possible development opportunities for the project.

Office market

Since there is an office overlay on part of the project site, the City of Milpitas has requested the investigation of this product type's feasibility. Unfortunately regional market factors show office not to be a viable use for the site. Milpitas has some of the highest office vacancies and the lowest rents in the Bay Area/Silicon Valley surveys that were collected. Substantial vacant inventory of high quality R & D space (in the high teens) in a highly amenitized and well managed master planned business park is available directly across the 1 880 freeway at McCarthy Ranch. A large inventory of served vacant land is also available.

Further analysis of costs associated with constructing the class A office space contemplated by the Mid Town specific plan and associated structured parking was conducted following the June 1, 2015 meeting with senior city staff. The break-even rental rate for fully served space is \$4.00 per square per month. This exceeds current transactions for Irvine Company's McCarthy Ranch holdings by \$2.50 per square foot (nearly three times the current market rate).

Retail

There is an abundance of retail in Milpitas, but the absorption has continued to reduce vacancy rates in recent years. This is particularly the case for well-anchored B centers, but not so for C and aging centers. Phase 1/1A of Serra Center is an aging C center.

Milpitas has evolved to be a net importer of retail sales mostly in the category killer, mid-market and value market segments. In spite of this, brick and mortar soft and durable goods retail is under considerable pressure from online shopping. The future success of Milpitas retail offerings will be dependant on how effectively the shopping centers and retailers manage this trend.

Phase 1/1A of the Serra Center site is not large enough to accommodate big or medium box stores. These store types are typically located in centers with floor area ratios in the .25 to .30 range and have large surface parking lots. These factors and high initial land cost make them unable to meet project

performance expectations. The development type is also not consistent with the Mid Town Specific Plan goals.

The Analysis has identified a lifestyle neighborhood center as the optimal retail format for the Serra Center site. Rental rates are sufficient to support hard and soft development costs and deliver good returns. Lifestyle centers are less impacted by online sales. Their primary attraction is providing a compelling experience and convenience for patrons. Santana Row is an example of a well-merchandised lifestyle center. Food and beverage establishments comprise a high ratio (60 – 70 %) of the tenants. These serve as the anchors for the center. Other tenants provide services and impulse retail. The tenant mix is less susceptible to competition from Internet sales. Success is dependent on creating a highly attractive and desirable place with the right tenant mix to attract patrons. Lifestyle centers require high quality finishes, good design and landscaping and top tier management. They're where people want to go, be seen and have fun. Currently Milpitas is a prime opportunity for this type of place.

The amount of retail that is programmed into the Serra Center project is about 200,000 square feet (113,600 square feet in Phase 1/1A), located on the ground floor. This allows for the parking to be provided below the building in a podium, which makes it easier to control and more convenient than a centralized parking structure.

Residential

Milpitas has distinguished itself as a key provider of housing in an intensely undersupplied regional market. Much of this has been for sale townhomes and condominiums. Although current housing demand is very high, Milpitas housing experienced substantial price devaluation in the last recession. A concern is the impact of the next recession on housing prices and timing to product delivery. Strategies include identifying product types not currently being supplied in the Milpitas Market. Senior and entry-level housing are currently undersupplied.

The planned residential component for phase 1/1A of the project will be upwards of 429,298 square feet. Residential was identified as the use with the highest potential return. A mixture of units including micro-units of 450 square feet, condominiums of 850 square feet and townhouses of 1100 square feet were used in the Analysis. This reflects reduction in unit size and is at the lower end of the sizes available in Milpitas. The micro-units are considerably larger than new units offered in San Francisco, a reflection of a more suburban market.

On site residential also serves as a significant customer base for the contemplated retail providing "roof tops" and supporting extended hours of activity.

Hotel

There are a significant number of hotel rooms in Milpitas. In recent years Milpitas hotel rooms have been enjoying higher occupancy and room rates that exceed the dismal performance experienced during the recession. This is strictly because overflow from other Silicon Valley cities' employment growth and office demand, has impacted Milpitas. When the economic cycle enters into a recession in

the future, room occupancies will likely return to about the fifty to sixty+ percent (50-60+%) range and room rates will also likely decline to previous non economically supportable levels. Recognizing this cyclical and volatile impact on the hotel rental market, it would be impractical to develop additional hotel rooms, especially at higher room rates driven by current high construction and carry costs. The introduction of Levi's stadium in the market has had a positive impact on room occupancy and exerted some upward pressure on room rates. However, the size and configuration of the venue limit the number of events booked and stabilized market impact has not yet been established.

Typical ground lessees for a hotel return a five to nine percent (5-9%) cap rate in this market (annualized basis). The returns on hotel joint ventures tend to be low because operations costs can be manipulated to conceal profits. The primary benefit results from efficient and effective operation of the hotel and benefiting from the cash flow generated.

Grocery

Typically, grocery use has been not conducive as a contributor to cross-shopping, since they are destinations that require a large amount of area for parking, shopping carts, loading and service. When someone goes to the grocery store they plan on going home shortly afterwards, since they commonly have perishables or frozen products that will spoil or melt if left in the vehicle. Further, these types of facilities require high spaces and large footprints that are difficult to re-lease, while paying rents that do not meet the pro forma requirements.

Therefore, possible alternatives include grocery/delis that primarily provide hot food and specialties for defined ethnic and demographic targets. These stores are smaller, typically between 2000-4000 square feet, and will fit into spaces being planned for the project. Certain smaller specialty grocery store formats may prove viable based on tenant motivations and transaction terms.

Miscellaneous

There are a number of dedicated uses, such as a medical center or fitness center that are purpose built facilities imposing additional costs. These do not provide commensurate compensation to economically justify development. The problem is they have use specific requirements (height, depth of space, heating, ventilation and air conditioning, refrigeration, parking, plumbing, and subsurface utilities, etc.) and costs that are not adequately offset by local rental rates. In addition, rental income will not be sufficient to pay for conversion of the spaces for alternate uses. They do not act as retail "loss leaders" since they do not promote cross shopping.

SERRA CENTER PARAMETERS

Design

The general project design for the initial phases envisions two basic building types. The predominant is a mixed-use building type with a steel and concrete two level parking and retail/commercial "podium" and three to four stories of wood framed residential construction above. The second building type is three story wood framed townhome type residences with individual garages at the ground level. The

typical floor-to-floor heights for the mixed-use building are 11 feet in the parking level, 18 feet in the retail commercial level and an average of 10 feet for each of the residential levels. The townhomes are projected to have 10 foot to floor heights except for the main level, which is proposed at 11 feet.

The overall development at build out of all phases includes commercial/retail projected at approximately 200,000 square feet and residential at approximately 600,000 square feet. The building envelope meets the height and setback requirements with one floor of partially underground parking for the mixed-use buildings. The amount and type of residential is currently allocated between townhouses, condominium/apartments, and micro units. A portion of the residences may be age restricted for seniors. The retail/commercial space is allocated between general retail/quasi-office and restaurant/fast food. Each of these components has differing parking requirements that are incorporated into the project cost. The townhome styled units with ground level garages are proposed for a portion of the site along Junipero Drive. Financial performance for the project would improve significantly, with margins achieving lender and investor expectations, if the town homes were replaced by apartment style homes over a podium.

Parking

Studies have been performed comparing podium versus structured parking. The approachable design, cost and convenience of podium parking versus structured parking outweigh the efficiency of building a parking garage. Certain housing types such as micro units and senior housing require fewer spaces per unit. A larger number of micro units could replace conventional units, however the bedroom count will remain approximately the same for the total residential square footage. A primary goal of project programming is to limit parking to a one-story podium constructed above the water table. A shared parking analysis will optimize parking provided for the project.

Development Phasing

The total project build out is contemplated about 1,031,000 square feet. This is projected to occur over three phases. The phasing areas are identified as 1) Phase 1/1A: the existing Serra Center retail, office and restaurant inline shops, pad tenants and parking area east of Walgreens and Days Inn, 2) Phase 2: Heritage Motor Inn (Travelodge), King Egg Roll and a vacant parcel west and north of Abbott Avenue, and 3) Phase 3: the central portion of the holdings including Days Inn and Walgreens. The project team contemplates proceeding with Phase 1/1A for land use actions and environmental clearance. Subsequent phases will proceed independently as justified by the market, owner's investment objectives and lease terminations.

The Analysis is based on Phase 1/1A at approximately 10.481 acres and 542,943 gross square feet of mixed-use building area. This includes approximately 113,600 square feet of retail/service and 429,898 square feet of residential. The mixed-use buildings contain 555 residential units. An additional 56 townhome units totaling approximately 71,440 square feet with private garages are also included in the Analysis separate from the mixed use buildings. As a rule of thumb the Analysis generally supports a ratio of approximately 15/20% commercial floor area to 80/85% residential. Parking is not included in the building floor area calculations.

The conceptual land plan shows Phase 2 with a land area of approximately 2.559 acres and 287,749 rentable square feet. This includes 71,937 sq ft of retail and 215,812 sq ft of residential.

The conceptual land plan shows Phase 3 with a land area of approximately 3.449 acres and 95,800 rentable square feet. This includes 23,950 sq ft of retail and 71,850 sq ft of residential.

Construction Costs

The costs have been projected based on current unit costs that were experienced in projects in the Bay Area's Silicon Valley. These construction costs will need to be further refined for this specific project, but regional unit costs give an indication of where the project is heading as programmed.

Mixed-use buildings with concrete podiums and wood-frame construction above are widely accepted as a development standard in the region and are used to manage costs. The residential hard and soft costs are based on \$178 and \$51 per square foot respectively with a parking cost of just above \$10,000 per stall. The retail/commercial hard and soft costs are based on \$112 and \$35 per square foot respectively with the parking at the same cost per stall for residential. Projects can be built with all concrete or steel at additional cost. The costs utilized are general rough order of magnitude and do not include possible additional or specific costs that will be allocated to this project through fully detailed plans and general contractor CSI line item bidding. In addition they do not include tenant improvement costs for the commercial spaces.

Edges and Buffers

Discussions about the project with city staff and appointed and elected officials underscore the need to create an appropriate condition along the Junipero Drive edge of the site. This southerly edge is adjacent to an existing low-density multifamily residential neighborhood. The project team will be conducting a community outreach effort to better understand the concerns and opinions of the neighborhood. This will help inform land use and design along Junipero Drive and potentially elsewhere around Serra Center.

While buffering such as landscape setbacks and a linear park may be potential solutions, the design team will focus on building community support for townhomes or other types of residences on the north side of Junipero Drive. A linear park open space amenity can provide an active area between the two differing uses and result in density credits for additional building height and more residential units. The team's preference is to internalize amenities to add value to the project and serve the needs of project tenants and customers.

Imputed land Value

The imputed land values are based on the purchase price of the various parcels by the Serra Center owners. These values are reflected in the property tax records. Since the purchase transactions occurred prior to the last recession, it is probable the land cost basis is higher than current market value. The land values at purchase are included in the calculation of cash on cash return. Accrued opportunity cost during Serra Center owners' holding period is not considered in the calculations.

Rents

The rents are based on the rental information provided CoStar and the surveys from brokerage companies.

The rents in the simplified pro forma utilized CoStar's research information based on monthly rental rates. The office rents range from \$1.48 to \$2.10 per square foot. The rents for retail and restaurant range from \$2.50 per square foot to \$3.00 per square foot respectively. The rents for apartments are about \$2.50 per square foot. The rents for residential micro units will likely be higher than conventional apartments.

The Net Operating Income (NOI) deducts the operating expenses from the rents. This amount is typically about ten to fifteen percent (10-15%).

Valuation

The valuation is based on income capitalization, where anticipated operating expenses are deducted from the rents to provide the net operating income (NOI). NOI is the basis for the valuation of the project, where time value of money, certain costs applicable specifically to the property and absorption have not been taken into consideration at this point in time. The valuation provided is based on investment market driven income capitalization rates that have been experienced on other projects in the Silicon Valley and the Bay Area. The NOI divided by the capitalization rate provides the value of the property in dollars.

- The capitalization rate for office is seven and a half percent (7.5%).
- The capitalization rate for retail is seven and a quarter percent (7.25%).
- The capitalization rate for residential is five and half percent (5.5%).
- The capitalization rate for hotels is seven percent (7.0%).

Financing

The project has migrated from its initial layout to a mixed-use program that provides for returns that avail financing in the following parameters that have been experienced recently:

- Typical financing is at usually between fifty to fifty-five percent (50-55%) of the cost of the project with a rebalance if the project's appraised loan to value ratio exceeds sixty-five percent (65%) upon completion.
- The interest rate is determined by the project itself and its ability to pay back the loan. Typical interest rates are based on simple interest that is interest only during construction, which is usually between two to three+ percent (2-3+ %) plus monthly LIBOR. The financial institution typically requires some sort of interest hedge.
- The points or costs associated with the loan origination are currently between seventy-five to one hundred fifty basis points (.75-1.5%) of the loan amount.

- The loan duration is typically three (3) years with up to two (2) one year extensions, usually with a quarter to half percent (.25-.50%) fee for each extension, so that the property can stabilize its operations. The debt yield is typically between seven to eleven percent (7-11%) and if during the extension if the property fails to meet its stabilization requirements the loan will need to be rebalanced (a reduction of the loan amount with the repayment of proceeds).
- The amount of owner equity (land and cash) is to be put up initially before any of the loan proceeds about drawn upon. Evidence of funds is required as a part of qualifying for the loan.
- The owner must also maintain a certain level of liquidity and net worth during the term of the loan.
- The property needs to be held in a single-purpose entity. In other words, each phase of the property needs to be held individually, in order to encumber only the specific phase property with the loan and these requirements.
- The loans are typically recourse with a completion guaranty.
- There are a number of tests that need to be met in order for the loan to qualify for approval and quarterly tests to remain in good standing.

Investment Return Objectives

The threshold return for investment quality real estate development is approximately 60% cash on cash return. If a project takes 3 years from construction mobilization to pro forma lease occupancy (generally 95%) the internal rate of return percentage equates to the high teens on an annualized basis. A cash on cash return of 50% will generally meet financial institutional underwriting requirements with a 50% loan to value ratio of the cost of the project. The imputed land values are likely to be reset downward to reflect current market values. A cash and/or equity contribution may be required to achieve a 50% loan to value ratio.

Project Financial Performance

Several pro forma runs have been completed with alternative land use scenarios and programs for the full 16.49 acre land inventory including Phases 1/1A, Phase 2 and Phase 3. Existing lease terms will delay Phase 2 and 3 beyond a predictable market analysis time horizon. This serves as justification for focusing the analysis is on 10.48 Acre Phase 1/1A. Expiring leases will allow redevelopment of this portion of the site to proceed over the next few years.

The pro forma process is iterative. Revisions in the building program including land uses, building and site improvement areas, and parking requirements result in different outcomes. The most recent Phase 1/1A was completed based on the site plan submitted to the city of Milpitas on July 24, 2015.

Key Assumption Metrics for Phase 1/1A (8.8.15 Run):

- Total site area 10.48 (some improvements may be required on phase 3 area for access and utilities)
- Total Building Area: 647,440 sq ft
- Mixed Use Building Area: 542, 943 sq ft

- Mixed Use Building Retail and Other Uses Area: 113,600 sq ft
- Mixed Use Building and surface parking: 1,475 spaces
- Mixed Use Building residential units: 555
- Townhomes Area: 71,440 sq ft
- Townhome units: 52
- Townhomes parking: 112 spaces

Performance:

- Margin (Cash on Cash Return): 39.69%

Conclusions:

The margin of 39.69% is not yet an a minimum required level of 60% based on a three year build out and lease up of Phase 1/1A. Parking provided on the site appears to meet the needs based on a high ratio of restaurant tenants. A shared parking analysis will determine the desired number of spaces when the parking requirements for the residential products and breakdown of retail uses are better defined. While the trend for financial performance has improved as the program has been refined, further changes will be required to achieve the minimum required performance to attract lender participation. The most promising means to achieve the margin is to increase the number of residential units and/or reduce the retail area. Replacing the townhomes with podium parked residential at approximately 50 units per acre density (4 stories of wood framed apartments or townhomes above a concrete parking podium) will likely achieve the performance required.

DRAFT

Serra Center
Office Market Analysis
as of June 5, 2015

Prepared for 200 Serra Way LLC

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Executive Summary

1. Milpitas is a minor market and has a scant 320,000 sf of Class A inventory.
2. Milpitas is at the periphery of the Silicon Valley whose path of growth is northward toward San Francisco and in the opposite direction.
3. The vacancy rate in the Milpitas R&D market is higher than the Silicon Valley average.
4. The Milpitas rents for both Office and R&D space are substantially lower than the Silicon Valley average.
5. There has been little rental growth in both Milpitas office and R&D product during the past 8 years making it a less attractive investment for property owners and investors.
6. The prominent McCarthy Ranch office property with excellent I-880 visibility and a superior location to Serra Center has a 20% vacancy rate and its asking rents are \$1.50psf with a range from \$0.90-\$1.50psf.
7. The permitted Class A Equity Office project is not being marketed and doesn't appear on its owner's website.
8. Development of office product on the Serra Center site is further disadvantaged by the need to build structured parking as opposed to having on-grade parking as in the McCarthy Ranch project.
9. The above facts, taken together, do not support the expected return requirements for office investors nor does it support the required safety margins to secure project financing.

Background

200 Serra Way LLC, the owner of Serra Center, has directed the preparation of this Milpitas office market analysis in order to determine if the site supports Class A office development as indicated in the Milpitas Midtown Specific Plan, updated 2010.

The site is comprised of several parcels containing approximately 10 acres and is located near the southeastern quadrant of Interstate 880 and State Highway 237 bounded by Calaveras Boulevard and Serra Way to the north, South Abel Street to the east, Junipero Way to the south and the adjacent Walgreens and Travelodge and Day's Inn motels to the west. The site is divided into two potential phases, 1 and 1A depending on the existing retail tenant expirations. At this time, Phase 1 is expected to be ready for development in 2017 and Phase 1A in 2019.

The site is currently developed with a series of eight, one- and two-story office/retail buildings for a total of 84,442 sq. The owners also own adjacent parcels that contain the existing Walgreens store and the Travelodge and Day's Inn motel structures and because the underlying leases have long remaining terms, they are excluded from this study.

Phases 1 and 1a are currently zoned General Commercial (C2) with an Office Overlay (-00) in order to encourage Class A office development to visually strengthen one of the main entrances into the City. The City wishes to encourage the development of up to six-story office buildings by increasing the FAR at this location to 1.5.

The Milpitas Office and R&D Market

Located at the southern end of the San Francisco Bay and the eastern edge of Santa Clara County, the City of Milpitas is an integral part of high-tech Silicon Valley since its incorporation in 1954. The City is a strong employment center with a diverse population, quality schools, conveniently located neighborhood parks and a variety of retail options. Milpitas is often called the "Crossroads of Silicon Valley" as most of its 13.6 square mile area is situated between two major freeways (I-880 and I-680), State Route 237 and a County expressway. Furthermore Milpitas is served by Valley Transportation Authority and in 2017, a new BART station at the southern end of the city.

Milpitas has long been known as an industrial and warehouse market and, while the city contains 1.1% of the land area of Silicon Valley, it contains 5.1% of its industrial space and 12.1% of its warehouse space.

Figure 1: Milpitas as a Percent of Silicon Valley's Industrial Space

| | Milpitas | Santa Clara Co | % of SCC |
|------------------------|-----------------|-----------------------|-----------------|
| Area (Sq Miles) | 13.6 | 1290.1 | 1.1% |
| Industrial (sf) | 3,084,176 | 60,399,467 | 5.1% |
| Warehouse (sf) | 4,577,739 | 37,859,144 | 12.1% |

Source: Colliers International IQ 2015 Silicon Valley Market Report

This fact is further reinforced by the data presented in Figure 2 below which compares the office and R&D inventory of Milpitas with the Silicon Valley. Here, the 319,665 square-foot Class A office inventory of Milpitas represents less than 1% of the Silicon Valley total while its Class B, Class C and R&D inventory make up increasing larger percentages of Valley's total inventory for these product types although less than the 12.1% of warehouse space shown above. These two tables together indicate that the City of Milpitas is small Class A office market due to its inventory, and furthermore, that inventory of is of proportionately lower-quality than the rest of the Silicon Valley, i.e. it contains more Class C space than Class A space.

Figure 2: Milpitas as a Percentage of Silicon Valley's Office Space

| | Milpitas | Santa Clara Co* | % of SCC |
|----------------|------------|-----------------|----------|
| Office Class A | 319,665 | 36,356,129 | 0.9% |
| Office Class B | 399,578 | 20,021,115 | 2.0% |
| Office Class C | 625,978 | 9,630,327 | 6.5% |
| R&D | 11,674,473 | 151,354,966 | 7.7% |

Source: CBRE IQ 2015 Silicon Valley Market Report

* Plus Fremont and Newark

Historically, the heart of the Silicon Valley has been Palo Alto with Stanford University as a major source of intellectual capital and the venture capital offices along Sand Hill Road representing the financial capital. Rents in Palo Alto are generally the highest in the Silicon Valley and during recessions, its vacancy rate is typically the lowest. Correspondingly, the cities that surround Palo Alto--Cupertino, Mountain View and Sunnyvale--tend to experience higher demand for both office and R&D space, lower vacancies and higher rents. As you move further south and east into Santa Clara and San Jose, vacancies tend to remain higher and rental rates lower for longer periods of time even during recoveries. And Milpitas is even further removed.

It is important to note that Silicon Valley has been expanding in a northerly direction into the City of San Francisco which offers the cultural 24/7 amenities of a world-class city that helps expanding companies attract and retain its workforce. The result of this would be to shift the path of growth, or at least infill growth, in a direction away from Milpitas.

Figure 3 compares the Milpitas office market with the whole of the Silicon Valley from the fourth quarter of 2006 through the first quarter of 2015 and shows the effects of the market changes from the last economic boom, through the crippling 2008 recession and into the current economic surge. While the office availability in Milpitas was lower than the Silicon Valley during this period, its rents were startlingly lower. This would indicate that despite a proportionately smaller amount of supply, demand for Milpitas office space was not strong enough to be able to match the asking rental rates in the rest of the Valley. Even today, in this current economic boom, average office rents are \$1.48psf compared

Figure 3: Milpitas/Silicon Valley Office Market--Comparative Statistics

| | 4Q 2006 | 4Q 2007 | 4Q 2008 | 4Q 2009 | 4Q 2010 | 4Q 2011 | 4Q 2012 | 4Q 2013 | 4Q 2014 | 1Q 2015 |
|--------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Milpitas/IBP* Office Submarket | | | | | | | | | | |
| Class A | N/A | 356,618 | 319,655 | 319,655 | 319,665 | 319,665 | 319,665 | 319,665 | 319,665 | 319,665 |
| Class B | N/A | 332,756 | 339,456 | 350,652 | 350,652 | 350,652 | 399,578 | 399,578 | 399,578 | 399,578 |
| Class C | N/A | 503,662 | 521,462 | 625,978 | 625,978 | 625,978 | 625,978 | 625,978 | 625,978 | 625,978 |
| Total Office: | 1,180,217 | 1,193,036 | 1,180,573 | 1,296,285 | 1,296,295 | 1,296,295 | 1,345,221 | 1,345,221 | 1,345,221 | 1,345,221 |
| Total Availability Rate | 11.9% | 9.3% | 7.5% | 13.7% | 19.4% | 16.7% | 13.8% | 12.7% | 8.0% | 6.9% |
| Avg Asking Rate Class A | \$1.93 | \$2.19 | \$2.08 | \$1.75 | \$1.60 | \$1.70 | \$1.85 | \$1.85 | \$2.07 | \$2.10 |
| Avg Asking Rate Class B | \$1.49 | \$1.68 | \$1.60 | \$1.25 | \$1.19 | \$1.29 | \$1.40 | \$1.40 | \$1.44 | \$1.48 |

Class A 1Q15/4Q06 Rental Growth = 9%
 Class B 1Q15/4Q06 Rental Growth = -1%

| | 4Q 2006 | 4Q 2007 | 4Q 2008 | 4Q 2009 | 4Q 2010 | 4Q 2011 | 4Q 2012 | 4Q 2013 | 4Q 2014 | 1Q 2015 |
|-------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Silicon Valley Office** | | | | | | | | | | |
| Class A | N/A | 28,293,422 | 29,456,804 | 31,447,507 | 32,103,218 | 31,288,152 | 31,943,174 | 33,350,219 | 35,917,397 | 36,356,129 |
| Class B | N/A | 19,048,910 | 19,773,409 | 21,066,297 | 20,940,697 | 18,684,380 | 18,486,216 | 19,755,670 | 20,087,430 | 20,021,115 |
| Class C | N/A | 10,803,568 | 10,469,175 | 10,456,556 | 10,287,661 | 10,116,421 | 10,218,728 | 9,793,736 | 9,715,922 | 9,630,327 |
| Total Office: | 56,988,490 | 58,145,900 | 59,699,388 | 62,970,360 | 63,331,576 | 60,088,953 | 60,648,118 | 62,899,625 | 65,720,749 | 66,007,571 |
| Total Availability Rate | 11.3% | 11.1% | 16.1% | 21.7% | 20.3% | 14.5% | 13.0% | 12.8% | 10.3% | 9.8% |
| Avg Asking Rate Class A | \$2.70 | \$3.50 | \$3.49 | \$2.81 | \$2.80 | \$3.31 | \$3.62 | \$3.95 | \$4.44 | \$4.60 |
| Avg Asking Rate Class B | \$2.12 | \$2.88 | \$2.81 | \$2.34 | \$2.39 | \$2.76 | \$3.03 | \$3.25 | \$3.48 | \$3.60 |

Class A 1Q15/4Q06 Rental Growth = 70%
 Class B 1Q15/4Q06 Rental Growth = 70%

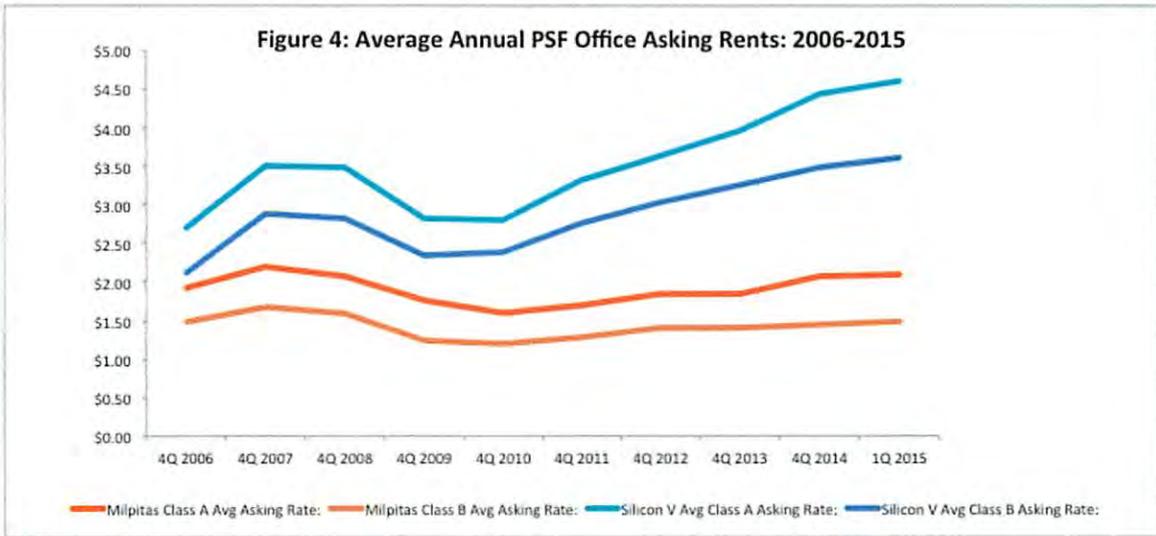
| | | | | | | | | | | |
|------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Milpitas Market as % of Silicon V: | 2.1% | 2.1% | 2.0% | 2.1% | 2.0% | 2.2% | 2.2% | 2.1% | 2.0% | 2.0% |
| Difference in Availability Rates: | 0.6% | -1.8% | -8.6% | -8.0% | -0.9% | 2.2% | 0.8% | -0.1% | -2.3% | -2.9% |
| Milpitas Class A Rents as % of SV: | 71.5% | 62.6% | 59.6% | 62.3% | 57.1% | 51.4% | 51.1% | 46.8% | 46.6% | 45.7% |
| Milpitas Class B Rents as % of SV: | 70.3% | 58.3% | 56.9% | 53.4% | 49.8% | 46.7% | 46.2% | 43.1% | 41.4% | 41.1% |

* International Business Park in San Jose

** Santa Clara Co + Fremont/Newark

Source: CBRE Market Reports

to average Silicon Valley office rents at \$3.93psf--a 165% difference. In fact, the City of Milpitas has the lowest average rental rates than any other city in the Silicon Valley. Similarly, average Class A asking rents in Milpitas of \$2.10psf and \$1.48psf for Class B compares very unfavorably with average rental rates in the Silicon Valley of \$4.60psf for Class A space and \$3.60psf for Class B. Growth in the rental rates during this period, as shown in Figure 4 below, was 9% for Class A office and (-1%) for Class B while rental rates for both classes of Silicon Valley office space increased by 70% during that same time. See Appendix B for detailed office market data.



In Milpitas, which has more than its proportionate share of the R&D market, the vacancy rates were significantly higher than the rest of the Silicon Valley during this timeframe, the difference in its rental rates growing increasingly larger over time from about a 20% difference at the end of 2006 to an almost 40% difference in the first quarter of 2015 as can be seen in Figure 5. Correspondingly, the growth in rental rates during this 8-year period was 29% in the Milpitas market compared with 78% in the Silicon Valley as shown in Figure 6.

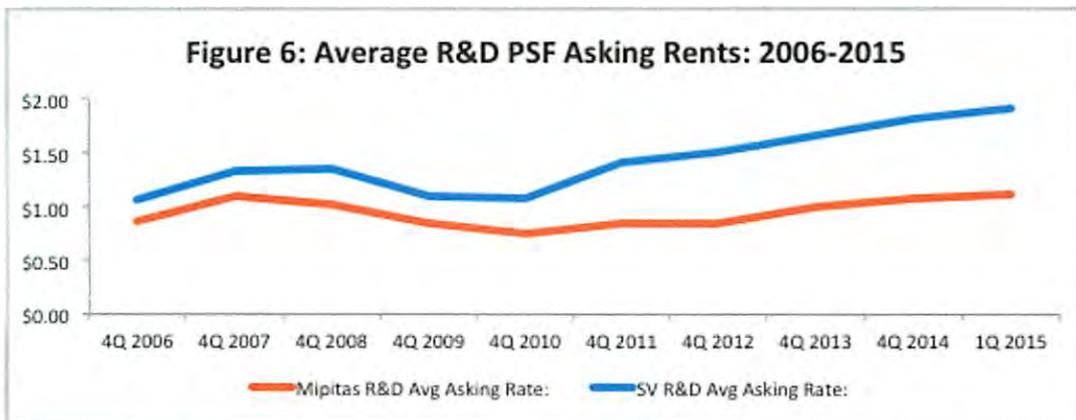


Figure 5: Milpitas/Silicon Valley R&D Market--Comparative Statistics

| | 4Q 2006 | 4Q 2007 | 4Q 2008 | 4Q 2009 | 4Q 2010 | 4Q 2011 | 4Q 2012 | 4Q 2013 | 4Q 2014 | 1Q 2015 |
|--------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Milpitas** R&D Submarket | 12,263,128 | 12,297,445 | 12,531,324 | 12,499,875 | 12,481,583 | 11,919,158 | 11,279,521 | 11,391,742 | 11,362,492 | 11,674,473 |
| Total Availability Rate | 23.3% | 20.6% | 22.4% | 25.3% | 26.8% | 21.4% | 18.8% | 15.9% | 12.4% | 12.0% |
| Avg Asking Rate | \$0.87 | \$1.10 | \$1.03 | \$0.85 | \$0.75 | \$0.86 | \$0.86 | \$1.00 | \$1.09 | \$1.12 |

1Q15/4Q06 Rental Growth = 29%

| | 4Q 2006 | 4Q 2007 | 4Q 2008 | 4Q 2009 | 4Q 2010 | 4Q 2011 | 4Q 2012 | 4Q 2013 | 4Q 2014 | 1Q 2015 |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Silicon Valley R&D Market | 157,348,761 | 155,199,918 | 154,656,633 | 153,403,451 | 153,026,615 | 153,598,790 | 153,178,233 | 149,784,886 | 150,933,978 | 151,354,966 |
| Total Availability Rate | 17.5% | 17.0% | 17.2% | 20.9% | 21.2% | 16.5% | 14.6% | 14.1% | 11.6% | 11.7% |
| Avg Asking Rate | \$1.07 | \$1.33 | \$1.35 | \$1.11 | \$1.08 | \$1.41 | \$1.51 | \$1.65 | \$1.81 | \$1.90 |

1Q15/4Q06 Rental Growth = 78%

| | | | | | | | | | | |
|------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Milpitas Market as % of Silicon V: | 7.8% | 7.9% | 8.1% | 8.1% | 8.2% | 7.8% | 7.4% | 7.6% | 7.5% | 7.7% |
| Difference in Availability Rates: | 5.8% | 3.6% | 5.2% | 4.4% | 5.6% | 4.9% | 4.2% | 1.8% | 0.8% | 0.3% |
| Milpitas R&D Rents as % of SV: | 81.3% | 82.7% | 76.3% | 76.6% | 69.4% | 61.0% | 57.0% | 60.6% | 60.2% | 58.9% |

Source: CBRE Market Reports

Serra Center as an Office Location

Next, the appropriateness of not only an office zoning designation but in particular the “Class A” Office Overlay zoning designation for this study site is reviewed. The answer is provided in the case of the Irvine Company’s McCarthy Ranch office complex running along the west side of I-880. In the CBRE data used in this report, these “office” buildings are designated as R&D buildings due to the presence of lab space and R&D-type loading dock configurations within a portion of the project rendering it not true office product.

Regardless of this distinction, this project, from every aspect is superior in type and in location to that of Serra Center. The McCarthy Ranch project is, for all intents and purposes, a Class-A office park. It has well-designed buildings in a well-landscaped campus setting with excellent freeway visibility for tenant signage. It has easily accessible surface parking and is adjacent neighboring retail and food services. Nevertheless, this property has an overall 20.82% vacancy rate and an average asking rate of \$1.50psf/mo which is well below the average asking rate for Class-A space in Milpitas of \$2.10 psf. The asking rents in the available space in this project range from as low as \$0.90psf/mo to \$1.50psf/mo.

Another Class-A office building, 1533 California Circle, has almost 27,000sf of rental space on the market and they are asking \$1.30psf.

During a time when cities such as Cupertino and Mountain View cannot build enough new office space to accommodate the rapid growth of its existing tenants, this high-quality office property is not able to attract users and its asking rental rates are substantially below average both Milpitas Class A and Silicon Valley office rents. This indicates that the users of the existing office space in Milpitas are smaller and local-to-Milpitas tenants. In fact, Equity Office has an approved office project adjacent this property with the rights to build 424,814 square feet in six, 5-story buildings, and has yet to do so. In conversations with office brokers, Equity Office is not even marketing the site indicating that they are not able to attract build-to-suit tenants.

Compared to McCarthy Ranch, the Serra Center site is vastly inferior. Serra Center has no freeway visibility and although it is located on a busy arterial, it enjoys a fraction of the visibility of the McCarthy Ranch property. Any Serra Center office development would be an isolated office project with no other neighboring office users reinforcing the notion that this was an office location. The quality of the surrounding retail services is notably lower and less visually cohesive than McCarthy Ranch. In fact, the most prominent retail neighbors are the gasoline station on the other side of Serra Way and the adjacent Walgreens store. Additionally, the cost to build a Serra Center project would be substantially higher than McCarthy Ranch as this site would require structured parking. Finally, the rents Serra Center would be able to command would be significantly lower than those of McCarthy Ranch due to its inferior location. Therefore, it would be

economically unfeasible to build this project on a speculative basis, and the owners are unlikely to find a build-to-suit user (which the better located Equity Office project, with its better financed owners cannot do), the lower rents that this property would command, would not generate the returns necessary to obtain lender financing.

Appendices:

A: Nova Biannual Workforce Index 2011/2012

B: CBRE Office Market Reports: 4Q2016-1Q2015

C: CBRE R&D Market Reports: 4Q2006-1Q2015

D: CBRE Available Class A Office space and Available Irvine Park (McCarthy Ranch)

E: CBRE For Sale and Absorption Reports

**Appendix A:
Nova Biannual Workforce Index 2011/2012**

We are pleased to provide you with the Fiscal Year 2011/12 issue of NOVA's **Workforce Index** for the city of Milpitas. This biannual report presents a summary of the services that were provided to the residents and businesses of Milpitas between July 2011 and June 2012, as well as a snapshot of workforce and demographic data for the city and region.

All reports point to the fact that the economy — after a long downward slide — is improving, and Silicon Valley is key to this recovery.

Steve Levy, director of the Center for the Continuing Study of the California Economy, and long-time NOVA Workforce Board member, believes that California's economy is "in strong recovery mode" and that these trends bode well for continued job gains. Some of the indicators that spark this optimism include the fact that California's 2.6%, year-over-year job growth is double that experienced by the U.S. for the same period, and that the 365,100 jobs added between July 2011 and July 2012 is the largest 12-month gain since the height of the dot-com boom in 2000.

Locally, the nine-county San Francisco Bay Area remains "the State's job-growth leader" with gains of more than 91,000 within the San Francisco, San José, and East Bay metropolitan statistical areas (MSAs) representing one-quarter of the annual growth within the state. This positive movement is further illustrated in the region's unemployment rates: San Francisco's 7.3% unemployment rate was significantly below both the state (10.9%) and national (8.6%) rates for July, and San José's slightly higher 8.7% was still seventh lowest of California's 28 MSAs.

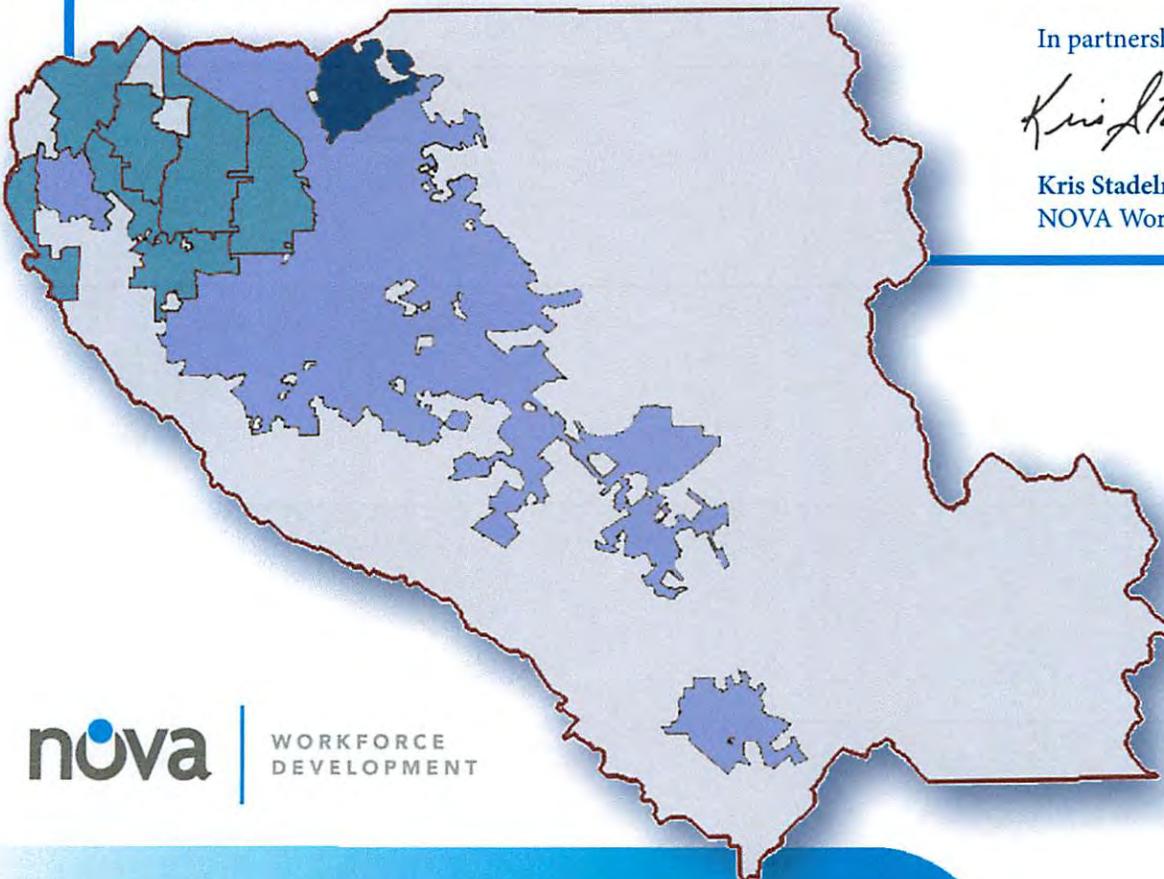
As Silicon Valley's innovation economy continues to drive the state's recovery, we want you to remain aware of NOVA as a key resource, providing you, your residents, and your companies with essential workforce development services.

To learn more about NOVA, the services we provide and the impact that we continue to have on your community, I invite you to contact us. We are, after all, *your* workforce investment board.

In partnership,



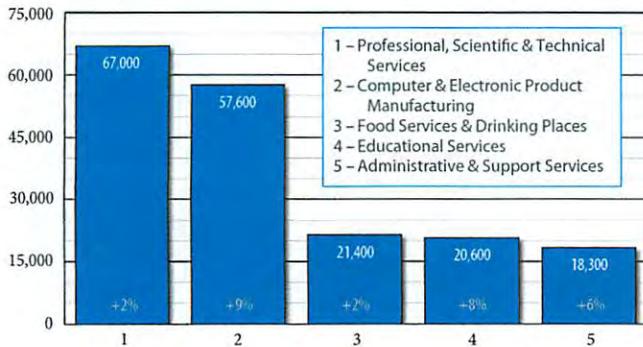
Kris Stadelman, Director
NOVA Workforce Board



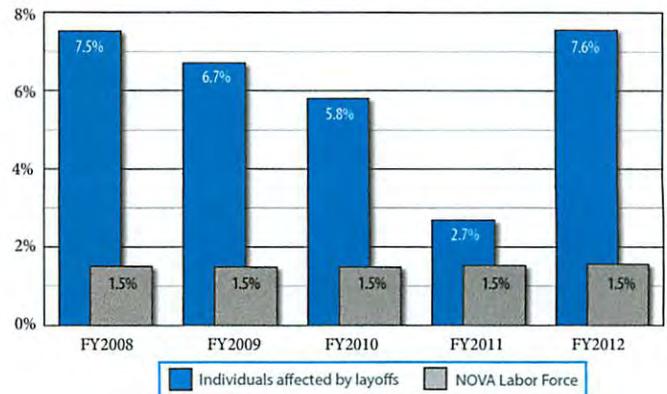
NOVA Workforce Index

Workforce Characteristics

Largest Industry Sectors (employed individuals; Q1 2011) & Change (Q2 2010–Q1 2011)²



NOVA's Share of Layoffs (FY data) & Labor Force (June data) relative to California³



NOVA Client Data¹

Services provided to Milpitas residents and businesses by NOVA from July 2011 through June 2012.

Universal Services

CONNECT Job Seeker Center

| | |
|--|----------|
| Milpitas residents enrolled in FY12 | 165 |
| Total Milpitas residents receiving services in FY12 | 243 |
| Total services accessed by Milpitas residents: | 4,944 |
| • Number of drop-in career advising appointments | 312 |
| • Number of job-search workshops attended | 123 |
| Duration of unemployment for Milpitas participants (avg) | 174 days |

Youth@Work (ages 16–24)

| | |
|---|----|
| Milpitas youth receiving counseling assistance | 7 |
| Milpitas youth attending pre-employment workshops | 25 |

ProMatch: Professional Networking Group

| | |
|--|----|
| Milpitas residents participating in FY12 | 32 |
|--|----|

Business Services

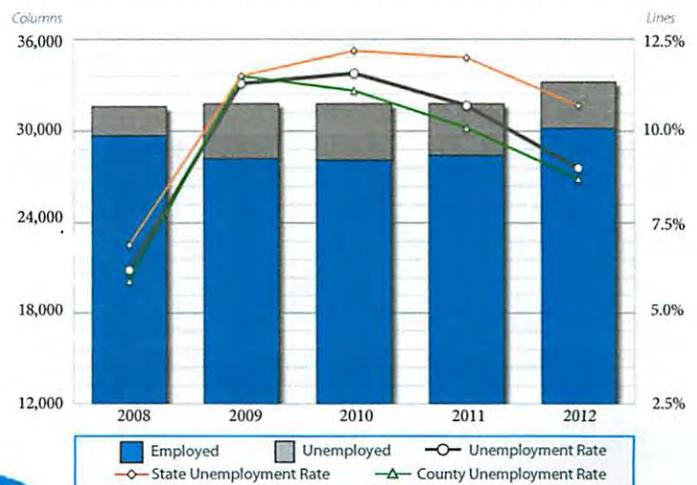
| | |
|--|-----|
| Milpitas companies receiving pre-layoff assistance | 12 |
| Workers affected by layoffs at these companies | 443 |

EDD's Labor Force Data⁴

The number of Milpitas residents employed and unemployed in June 2008 and June 2012, and the net change.

| | |
|-----------------------------------|----------|
| Labor force (2008) | 31,500 |
| Labor force (2012) | 33,200 |
| • Change in labor force (2008–12) | + 1,700 |
| • Percent change (2008–12) | + 5.4 % |
| Employed (2008) | 29,500 |
| Employed (2012) | 30,200 |
| • Change in employed (2008–12) | + 700 |
| • Percent change (2008–12) | + 2.4 % |
| Unemployed (2008) | 1,900 |
| Unemployed (2012) | 3,000 |
| • Change in unemployed (2008–12) | + 1,100 |
| • Percent change (2008–12) | + 57.9 % |
| Unemployment rate (2008) | 6.1 % |
| Unemployment rate (2012) | 9.0 % |

Labor Force: Employed, Unemployed & Unemployment Rate (Milpitas, June data)⁴



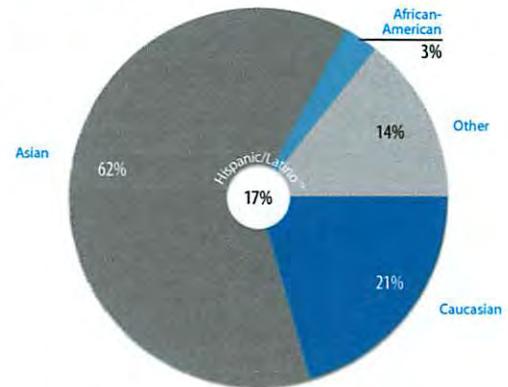
1. U.S. Census Bureau, Local Employment Dynamics (Avg, quarterly employment: Q1 2010–Q1 2011)
 2. California Employment Development Dept., WARN data (2012)
 3. NOVA Management Information Systems (2012)
 4. California Employment Development Dept., Labor Market Information Division (2012; June data)
 5. U.S. Census Bureau, American Community Survey (2008–10)

Demographic, social, and economic information and the respective changes over time. When data is not city-specific, it is provided at a broader geographic level and noted as such.

Demographic Characteristics⁵

| | |
|--|-------------|
| Population (2002) ⁶ | 62,572 |
| Population (2012) ⁶ | 66,966 |
| • Change in population (2002–12) | + 4,394 |
| • Average annual growth rate (2002–12) | + 1.4 % |
| Estimated daytime population (2009) ⁸ | 74,395 |
| Working-age population (16+) | 53,107 |
| Median age | 36.1 |
| Share of population under age 18 | 23 % |
| Share of population 65 and older | 10 % |
| Gender ratio [Male : Female] | 1.00 : 0.96 |
| Hispanic/Latino ethnicity (<i>unrelated to race</i>) | 17 % |

Racial Distribution⁵

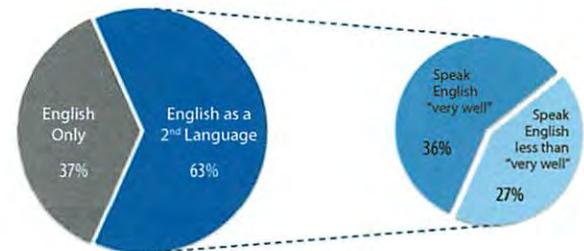


* Other includes Decedents state, Native American, and Two or more races.
** Hispanic/Latino ethnicity is independent of race.

Social Characteristics⁵

| | |
|--|-------|
| Educational attainment (cumulative share of population 25+): | |
| • High school diploma or equivalent and higher | 86 % |
| • Bachelor's degree and higher | 40 % |
| • Graduate/Professional degree and higher | 14 % |
| Individuals with a disability (population aged 21–64) ⁹ | 1,838 |
| • Share of these individuals employed | 30 % |
| Foreign-born (share of total population) | 50 % |
| • Share of these individuals entering U.S. 2000 or later | 29 % |

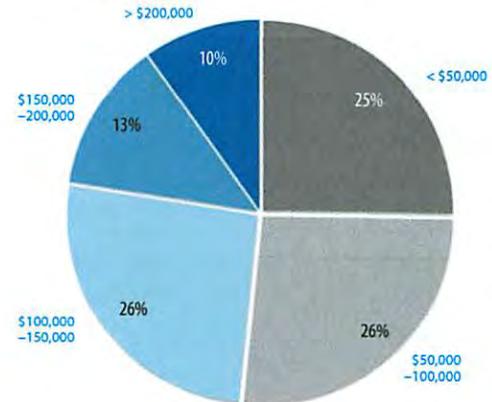
Language Spoken at Home⁵



Economic Characteristics⁵

| | |
|--|-----------|
| Total households | 18,564 |
| Median household income | \$ 96,599 |
| Average household size | 3.4 |
| Median income by gender: | |
| • Male full-time, year-round workers | \$ 62,647 |
| • Female full-time, year-round workers | \$ 47,761 |
| Per capita income | \$ 31,335 |
| Poverty status: | |
| • Federal poverty guideline (family of four, 2012) ¹⁰ | \$ 23,050 |
| • Share of families below poverty line | 4 % |
| • Share of individuals below poverty line | 5 % |
| San Francisco-Oakland-San José: Combined MSAs ¹¹ | |
| • Change in Consumer Price Index (2008–12) | + 6.5 % |

Household Income Distribution⁵



6. California Department of Finance (2012)
7. U.S. Census Bureau, Estimated Daytime Population (2009)
8. U.S. Census Bureau, Census 2000
9. U.S. Department of Health and Human Services (2012)
10. U.S. Bureau of Labor Statistics (Benchmark: 1982–84 = 100)

Developing a skilled workforce for Silicon Valley

About NOVA

NOVA is a nonprofit, federally funded employment and training agency that provides customer-focused workforce development services to job seekers and businesses throughout northern Santa Clara County. We work closely with local businesses, educational institutions, training providers, community-based organizations, and government to ensure that our programs provide opportunities that build the knowledge, skills and attitudes necessary to address the unique workforce needs of Silicon Valley.

Services to job seekers and businesses include:

- One-stop resource center for job seekers
- Job-search & interviewing workshops
- Labor market research
- Youth@Work online job-listing site
- Pre-layoff assistance & outplacement services
- Staffing & recruitment
- Employee training & retention services
- Professional development programs

NOVA is directed by the NOVA Workforce Board, which works on behalf of a seven-city consortium composed of Cupertino, Los Altos, Milpitas, Mountain View, Palo Alto, Santa Clara, and Sunnyvale.

Purpose Statement

The purpose of NOVA is to support the mobility of the workforce by easing workers' transitions from opportunity to opportunity throughout the cycles of their careers. To advance transitions with economic sustainability, NOVA provides:

- *advocacy for necessary infrastructure to support workers while unemployed between opportunities;*
- *navigation tools for the new labor market;*
- *just-in-time labor market information about the skills in demand;*
- *skill building and enhancements to match market demand; and*
- *interconnected support system for multiple career pathways for youth.*

Contact Info

Visit NOVA at www.novaworks.org or contact us at 408-730-7232 or info@novaworks.org to find out more about what we do or to learn how you can contribute to **developing a skilled workforce for Silicon Valley.**



nova | WORKFORCE
DEVELOPMENT

505 West Olive Avenue, Suite 550
Sunnyvale, CA 94086
408-730-7232
www.novaworks.org

Appendix B:
CBRE Office Market Reports: 4Q2016-1Q2015

Silicon Valley Office, Q1 2015

Construction positions market for another record year

 Vacancy Rate
8.2%

 Lease Rate
\$3.93 PSF

 Net Absorption
512K SF

 Under Construction
8.1 MSF

Figure 1: Total Vacancy vs. Net Absorption

*Arrows indicate change from previous quarter.



Source: CBRE Research, Q1 2015.

Following a record year in 2014, Silicon Valley is looking to roll that success into 2015 with 512,235 sq. ft. of positive net absorption in the first quarter. Leasing activity declined 50.7% from Q4 2014, but topped 2.0 million sq. ft., a 39.8% increase from Q1 2014. There were 4 leases over 50,000 sq. ft. for a total of 903,655 sq. ft., a drop from 8 leases for over 2.7 million sq. ft. in Q4 2014.

Class A accounted for 435,793 sq. ft. of positive net absorption, most of which came from pre-leased construction completions at 690 Middlefield Rd, Mountain View (340,000 sq. ft.) and 260 California Ave, Palo Alto (25,972 sq. ft.). Another large contribution to absorption came from a 107,155 sq. ft. lease by Blue Coat in Sunnyvale. Santa Clara had significant negative absorption, because Webex's (now Cisco) 161,449 sq. ft. lease at 3979 Freedom Circle expired. Only 25,543 sq. ft. has been leased at that address since

Despite positive net absorption due to pre-leased construction completions, vacancy rose 20 basis points (bps) to 8.2%. Several large vacancies hit the market in Santa Clara, pushing local vacancy to 10.5%. Overall market vacancy is still 12.8% below the most recent peak of 21.0% in Q4 2009 and is down 270 bps year-over-year. Although vacancy rose slightly quarter-over-quarter, average asking rates climbed 2.9% to \$3.93 overall, driven by a 6.7% increase in Palo Alto and a 4.8% increase in the surging West Valley, where vacancy fell 80 bps to 3.8% overall.

There is currently 8.1 million sq. ft. of office under construction in the Silicon Valley, of which 73.2% million sq. ft. is pre-leased or user-owned. 44.9% of construction is slated for completion in 2015, which will result in 2.2 million sq. ft. of net absorption in 2015, putting the Silicon Valley market in position to continue the positive growth seen in the last 5 years.

Figure 2: Total Office Market Statistics

| Submarket | Net Rentable Area | Total Vacancy % | Total Availability % | Average Asking Rate (\$/SF) | Q1 Net Absorption | YTD Net Absorption |
|-------------------------------------|-------------------|-----------------|----------------------|-----------------------------|-------------------|--------------------|
| San Jose - Downtown | 10,412,214 | 13.8 | 16.1 | 2.56 | (26,931) | (26,931) |
| Class A - CBD | 4,262,390 | 13.1 | 14.9 | 3.32 | (596) | (596) |
| San Jose - North | 9,368,065 | 14.2 | 18.4 | 2.76 | 34,816 | 34,816 |
| Class A | 6,106,640 | 11.8 | 15.1 | 2.98 | 33,869 | 33,869 |
| San Jose - South ¹ | 2,006,573 | 12.8 | 13.4 | 1.78 | 4,376 | 4,376 |
| Class A | 625,786 | 21.6 | 21.6 | 2.27 | 0 | 0 |
| West Valley ² | 5,011,218 | 3.8 | 6.2 | 2.91 | 36,307 | 36,307 |
| Class A | 1,449,340 | 4.9 | 8.9 | 4.17 | 47,560 | 47,560 |
| Milpitas/IBP | 1,345,211 | 6.6 | 6.9 | 1.48 | 6,415 | 6,415 |
| Class A | 319,655 | 15.5 | 16.3 | 2.10 | (1,383) | (1,383) |
| Cupertino | 4,026,993 | 0.8 | 2.6 | 4.14 | 2,321 | 2,321 |
| Class A | 2,635,222 | 0.1 | 2.1 | 4.58 | 0 | 0 |
| Santa Clara | 10,478,562 | 10.5 | 12.4 | 3.39 | (12,581) | (12,581) |
| Class A | 6,478,125 | 12.6 | 14.2 | 3.86 | (103,273) | (103,273) |
| Sunnyvale | 7,413,659 | 4.1 | 7.6 | 4.54 | 73,901 | 73,901 |
| Class A | 6,155,000 | 4.1 | 6.0 | 4.84 | 79,577 | 79,577 |
| Mountain View/Los Altos | 6,890,693 | 1.3 | 2.3 | 6.51 | 376,090 | 376,090 |
| Class A | 4,169,953 | 0.7 | 1.5 | 7.12 | 378,978 | 378,978 |
| Palo Alto | 6,931,984 | 5.6 | 6.5 | 7.53 | 3,735 | 3,735 |
| Class A | 3,200,850 | 5.9 | 6.3 | 8.75 | (3,807) | (3,807) |
| Fremont | 2,122,399 | 8.9 | 10.3 | 1.69 | 13,786 | 13,786 |
| Class A | 542,736 | 7.3 | 9.7 | 2.04 | 4,868 | 4,868 |
| Silicon Valley Office Market | 66,007,571 | 8.2 | 10.4 | 3.93 | 512,235 | 512,235 |
| Class A | 36,356,129 | 7.9 | 9.8 | 4.60 | 435,793 | 435,793 |

Source: CBRE Research, Q1 2015.

¹ San Jose - South is comprised of the Meridian, San Jose East and San Jose South Submarkets

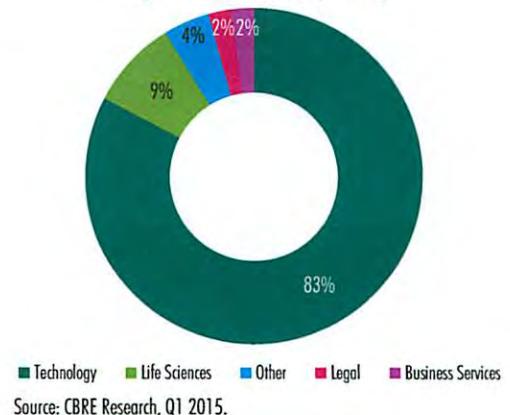
² West Valley is comprised of the Los Gatos, Campbell, Saratoga and Winchester submarkets

Figure 3: Top Leases / Top Sales

| Lease (Tenant) | Address | Total SF |
|--------------------|----------------------------------|----------|
| Confidential | 505 Mathilda Ave, Sunnyvale | 424,000 |
| Confidential | Stevens Creek Blvd, Cupertino | 275,000 |
| Blue Coat Systems | 384 Santa Trinita Ave, Sunnyvale | 107,155 |
| Sale (Buyer) | Address | Total SF |
| PNC | 160 W. Santa Clara St, San Jose | 212,181 |
| New York Life | 2665 N. First St, San Jose | 130,723 |
| Wayzata Investment | 2150 N. First St, San Jose | 123,714 |

Source: CBRE Research, Q1 2015.

Figure 4: Top 25 Leases by Industry



LEASE RATES

Asking rates increased for the eighteenth consecutive quarter to \$3.93, a 3.8% increase quarter-over-quarter, and the highest rate since Q2 2001. Class A asking rates rose to \$4.60, a 3.6% increase quarter-over-quarter. The largest increases came in Palo Alto, where overall rates rose 6.7% to \$7.53, and West Valley, which rose 4.8% to \$2.91. San Jose CBD rose 4.4% overall to \$2.82 as Class A asking rates increased to \$3.32.

NET ABSORPTION

Q1 2015 generated 512,235 sq. ft. of net absorption, marking the eighth consecutive quarter of positive net absorption. Class A accounted for 435,793 sq. ft. of the total net absorption, with 376,090 sq. ft. in Mountain View/Los Altos, mostly from 690 Middlefield Rd. Sunnyvale had 73,901 sq. ft. of positive net absorption. Santa Clara has a notable 103,273 sq. ft. of negative net absorption in Class A.

VACANCY & AVAILABILITY

Market-wide vacancy rose 20 bps to 8.2% and availability rose 10 bps to 10.4% quarter-over-quarter. Most of the market remained relatively flat except for Santa Clara's 160 bps increase and Sunnyvale's 100 bps decrease to 4.1%, the lowest it has been since 2001. Mountain View/Los Altos vacancy fell 70 bps to 1.3% and Cupertino fell 20 bps to 0.8%, the lowest marks since Q3 2000 for each submarket.

CONSTRUCTION COMPLETIONS

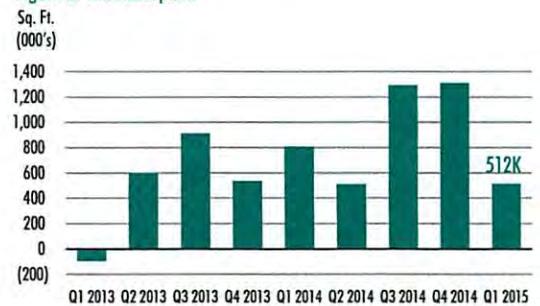
Two office projects completed this quarter, including 340,000 sq. ft. at 690 Middlefield Rd in Mountain View and 25,972 sq. ft. at 260 California Ave in Palo Alto. There is currently 8.1 million sq. ft. under construction in the Silicon Valley with another 12.1million sq. ft. approved in the pipeline. 73.2% of construction is pre-leased and 44.9% scheduled for completion in 2015. Construction activity remains high as tenant demand continues at an elevated level.

Figure 5: Lease Rates



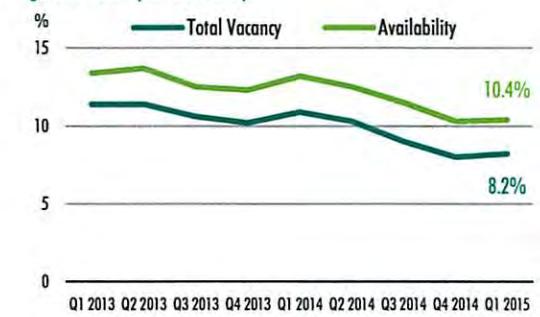
Source: CBRE Research, Q1 2015.

Figure 6: Net Absorption



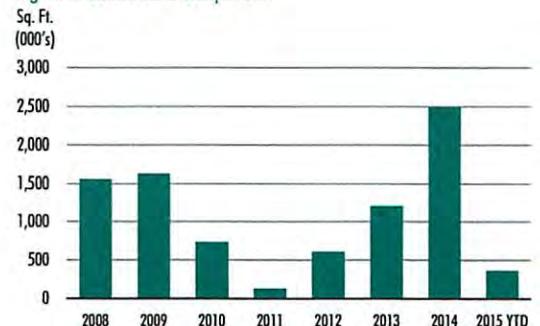
Source: CBRE Research, Q1 2015.

Figure 7: Vacancy & Availability

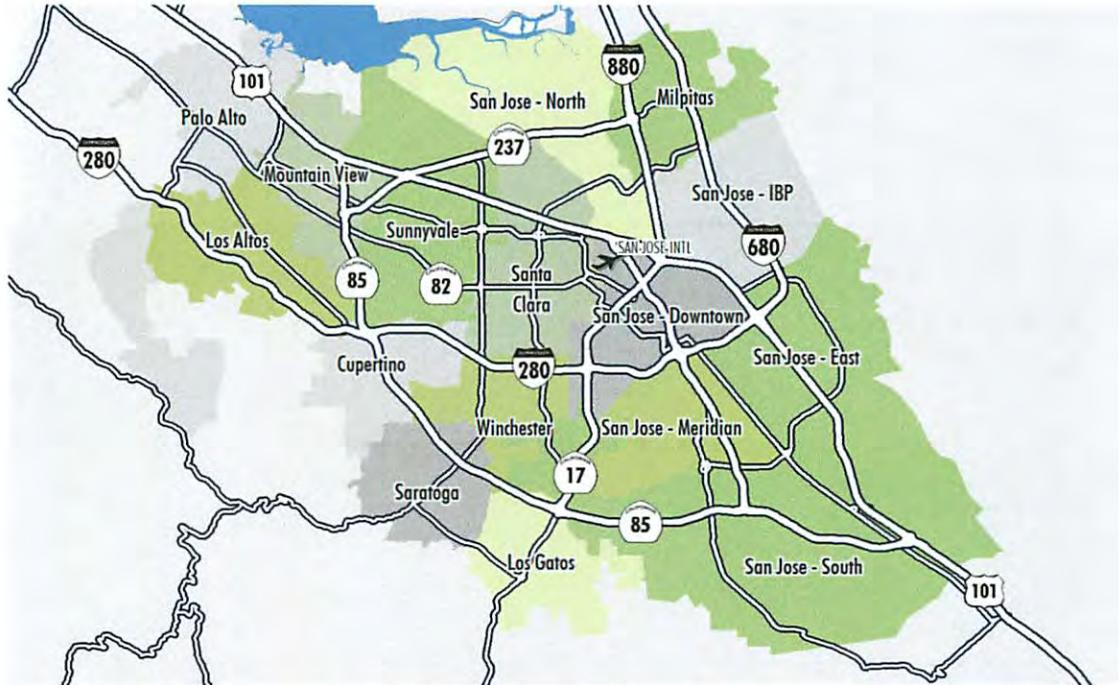


Source: CBRE Research, Q1 2015.

Figure 8: Construction Completions



Source: CBRE Research, Q1 2015.

SUBMARKET MAP

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DEFINITIONS

Average Asking Rate Direct Monthly Lease Rates, Full Service Gross. *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 office buildings that total 10,000+ 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 Global Research, or to access additional research reports, please visit the Global Research Gateway at www.cbre.com/researchgateway.

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Silicon Valley Office, Q1 2015

Figure 1: Statistics and Transactions

| Submarket | NRA | Total Vacancy % | Total Vacant SF | Total Availability % | Total Direct Available | Total Sublease Available | Average Asking Rate ¹ (\$/SF) | Q1 Net Absorption | Q1 Gross Absorption | YTD Net Absorption |
|----------------------------|-------------------|-----------------|------------------|----------------------|------------------------|--------------------------|--|-------------------|---------------------|--------------------|
| San Jose - Downtown | 10,412,214 | 13.8 | 1,441,046 | 16.1 | 1,579,752 | 101,677 | 2.56 | (26,931) | 117,839 | (26,931) |
| Metro | 2,742,577 | 5.9 | 160,804 | 8.7 | 237,720 | 1,753 | 1.83 | 6,782 | 20,583 | 6,782 |
| CBD | 7,669,637 | 16.7 | 1,280,242 | 18.8 | 1,342,032 | 99,924 | 2.82 | (33,713) | 97,256 | (33,713) |
| Class A | 4,262,390 | 13.1 | 559,489 | 14.9 | 572,290 | 63,862 | 3.32 | (596) | 28,952 | (596) |
| Class B | 2,867,724 | 22.2 | 637,859 | 25.2 | 686,848 | 36,062 | 2.26 | (33,117) | 68,304 | (33,117) |
| Class C | 539,523 | 15.4 | 82,894 | 15.4 | 82,894 | 0 | 1.79 | 0 | 0 | 0 |
| San Jose - North | 9,368,065 | 14.2 | 1,329,847 | 18.4 | 1,537,712 | 184,807 | 2.76 | 34,816 | 171,715 | 34,816 |
| Class A | 6,106,640 | 11.8 | 720,569 | 15.1 | 775,092 | 147,807 | 2.98 | 33,869 | 99,121 | 33,869 |
| Class B | 2,328,186 | 22.4 | 520,750 | 30.3 | 668,362 | 37,000 | 2.51 | (8,781) | 53,713 | (8,781) |
| Class C | 933,239 | 9.5 | 88,528 | 10.1 | 94,258 | 0 | 1.99 | 9,728 | 18,881 | 9,728 |
| San Jose - South | 2,006,573 | 12.8 | 257,739 | 13.4 | 267,258 | 620 | 1.78 | 4,376 | 10,022 | 4,376 |
| Class A | 625,786 | 21.6 | 135,159 | 21.6 | 135,159 | 0 | 2.27 | 0 | 0 | 0 |
| Class B | 632,548 | 5.2 | 33,087 | 5.4 | 33,868 | 0 | 1.71 | (3,519) | 1,602 | (3,519) |
| Class C | 748,239 | 12.0 | 89,493 | 13.2 | 98,231 | 620 | 1.42 | 7,895 | 8,420 | 7,895 |
| West Valley | 5,011,218 | 3.8 | 188,346 | 6.2 | 278,494 | 32,801 | 2.91 | 36,307 | 178,780 | 36,307 |
| Class A | 1,449,340 | 4.9 | 71,141 | 8.9 | 117,790 | 11,459 | 4.17 | 47,560 | 106,237 | 47,560 |
| Class B | 1,683,106 | 2.9 | 49,354 | 4.2 | 54,540 | 15,794 | 2.89 | 2,084 | 36,252 | 2,084 |
| Class C | 1,878,772 | 3.6 | 67,851 | 5.9 | 106,164 | 5,548 | 1.95 | (13,337) | 36,291 | (13,337) |
| IBP/Milpitas | 1,345,211 | 6.6 | 89,259 | 6.9 | 90,785 | 2,599 | 1.48 | 6,415 | 27,564 | 6,415 |
| Class A | 319,655 | 15.5 | 49,544 | 16.3 | 49,544 | 2,599 | 2.10 | (1,383) | 3,261 | (1,383) |
| Class B | 399,578 | 4.6 | 18,376 | 5.0 | 19,902 | 0 | 1.48 | 7,798 | 17,635 | 7,798 |
| Class C | 625,978 | 3.4 | 21,339 | 3.4 | 21,339 | 0 | 1.17 | 0 | 6,668 | 0 |
| Cupertino | 4,026,993 | 0.8 | 32,797 | 2.6 | 106,234 | 0 | 4.14 | 2,321 | 314,594 | 2,321 |
| Class A | 2,635,222 | 0.1 | 2,030 | 2.1 | 55,255 | 0 | 4.58 | 0 | 284,238 | 0 |
| Class B | 1,370,183 | 2.2 | 30,767 | 3.7 | 50,979 | 0 | 3.32 | 2,321 | 30,356 | 2,321 |
| Class C | 21,588 | 0.0 | 0 | 0.0 | 0 | 0 | 2.43 | 0 | 0 | 0 |
| Santa Clara | 10,478,562 | 10.5 | 1,102,217 | 12.4 | 1,174,763 | 122,973 | 3.39 | (12,581) | 311,971 | (12,581) |
| Class A | 6,478,125 | 12.6 | 813,279 | 14.2 | 827,096 | 94,430 | 3.86 | (103,273) | 162,444 | (103,273) |
| Class B | 2,116,258 | 9.6 | 202,769 | 13.0 | 246,430 | 28,543 | 2.94 | 77,753 | 138,297 | 77,753 |
| Class C | 1,884,179 | 4.6 | 86,169 | 5.4 | 101,237 | 0 | 2.26 | 12,939 | 11,230 | 12,939 |
| Sunnyvale | 7,413,659 | 4.1 | 305,167 | 7.6 | 414,731 | 149,600 | 4.54 | 73,901 | 565,150 | 73,901 |
| Class A | 6,155,000 | 4.1 | 251,096 | 6.0 | 223,895 | 147,307 | 4.84 | 79,577 | 547,857 | 79,577 |
| Class B | 624,515 | 6.4 | 40,274 | 25.8 | 161,140 | 0 | 3.54 | (3,980) | 3,650 | (3,980) |
| Class C | 634,144 | 2.2 | 13,797 | 5.0 | 29,696 | 2,293 | 2.61 | (1,696) | 13,643 | (1,696) |
| Mountain View/Los Altos | 6,890,693 | 1.3 | 92,391 | 2.3 | 110,023 | 45,666 | 6.51 | 376,090 | 134,811 | 376,090 |
| Class A | 4,169,953 | 0.7 | 30,306 | 1.5 | 26,046 | 37,336 | 7.12 | 378,978 | 57,397 | 378,978 |
| Class B | 2,495,961 | 2.2 | 55,440 | 3.4 | 77,332 | 8,330 | 5.70 | (291) | 73,366 | (291) |
| Class C | 224,779 | 3.0 | 6,645 | 3.0 | 6,645 | 0 | 4.34 | (2,597) | 4,048 | (2,597) |
| Palo Alto | 6,931,984 | 5.6 | 388,476 | 6.5 | 335,651 | 112,048 | 7.53 | 3,735 | 288,775 | 3,735 |
| Class A | 3,200,850 | 5.9 | 187,769 | 6.3 | 135,597 | 65,700 | 8.75 | (3,807) | 168,453 | (3,807) |
| Class B | 3,279,036 | 6.1 | 199,382 | 7.5 | 198,729 | 46,348 | 6.70 | (6,973) | 99,405 | (6,973) |
| Class C | 452,098 | 0.3 | 1,325 | 0.3 | 1,325 | 0 | 4.95 | 14,515 | 20,917 | 14,515 |
| Fremont | 2,122,399 | 8.9 | 189,509 | 10.3 | 203,436 | 15,712 | 1.69 | 13,786 | 41,995 | 13,786 |
| Class A | 542,736 | 7.3 | 39,454 | 9.7 | 38,281 | 14,614 | 2.04 | 4,868 | 12,236 | 4,868 |
| Class B | 988,515 | 13.5 | 133,320 | 14.7 | 145,030 | 0 | 1.65 | 6,044 | 19,107 | 6,044 |
| Class C | 591,148 | 2.8 | 16,735 | 3.6 | 20,125 | 1,098 | 1.43 | 2,874 | 10,652 | 2,874 |
| Total Office Market | 66,007,571 | 8.2 | 5,416,794 | 10.4 | 6,098,839 | 768,503 | 3.93 | 512,235 | 2,163,216 | 512,235 |
| Class A | 36,356,129 | 7.9 | 2,865,581 | 9.8 | 2,961,790 | 585,114 | 4.60 | 435,793 | 1,470,196 | 435,793 |
| Class B | 20,021,115 | 10.0 | 1,999,178 | 13.3 | 2,497,876 | 173,830 | 3.60 | 51,667 | 557,064 | 51,667 |
| Class C | 9,630,327 | 5.7 | 552,035 | 6.7 | 639,173 | 9,559 | 2.07 | 24,775 | 135,956 | 24,775 |

Source: CBRE Research, Q1 2015.

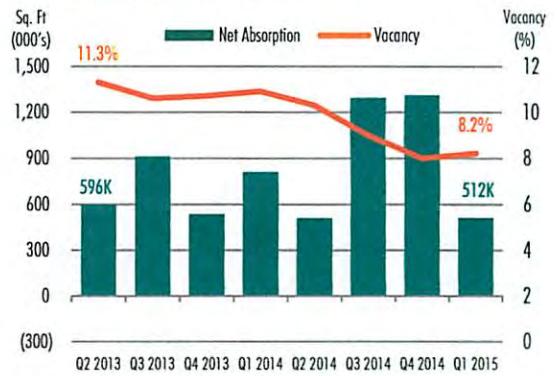
¹Monthly Direct Lease Rates, Full Service Gross

Figure 2: Average Asking Rates



Source: CBRE Research, Q1 2015.

Figure 3: Net Absorption and Vacancy



Source: CBRE Research, Q1 2015.

Figure 4: Significant Lease Transactions of the Quarter

| Lessee | Address | Total SF | Class | Lease Type |
|----------------------|-------------------------------------|----------|-------|------------|
| Confidential | 505 Mathilda Ave, Sunnyvale | 424,000 | A | Sublease |
| Confidential | Stevens Creek Blvd, Cupertino | 275,000 | A | New Lease |
| Blue Coat Systems | 384 Santa Trinita Ave, Sunnyvale | 107,155 | A | New Lease |
| Jazz Pharmaceuticals | 3170 Porter Dr, Palo Alto | 96,562 | A | New Lease |
| Hitachi America | 3315 Scott Blvd, Santa Clara | 41,252 | A | New Lease |
| FriendFinder | 910 E. Hamilton Ave, Campbell | 29,767 | A | New Lease |
| Endicia | 274-278 Castro St, Mountain View | 28,821 | B | Sublease |
| White & Case | 3000 El Camino Real, Palo Alto | 28,500 | A | Renewal |
| Arrow Electronics | 1732 N. First St, San Jose | 27,867 | A | New Lease |
| Hortonworks | 2755 Great America Way, Santa Clara | 27,723 | A | New Lease |

Source: CBRE Research, Q1 2015.

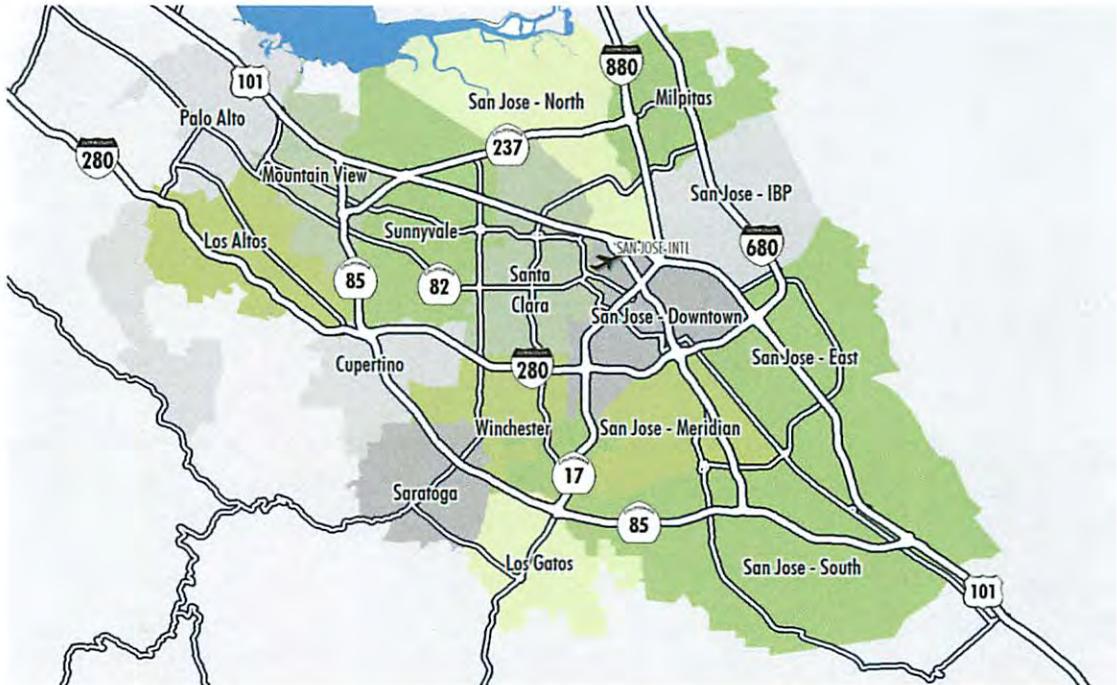
Figure 5: Significant Sale Transactions of the Quarter

| Buyer | Address | Total SF | Class | Type |
|-----------------------------|--------------------------------|----------|-------|------------|
| PNC | 160 W. Santa Clara St, San Jos | 212,181 | A | Investment |
| New York Life | 2665 N. First St, San Jose | 130,723 | B | Investment |
| Wayzata Investment Partners | 2150 N. First St, San Jose | 123,714 | A | Investment |
| Healthcare Realty Trust | 39141 Civic Center Dr, Fremont | 110,000 | A | Investment |

Source: CBRE Research, Q1 2015.

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DEFINITIONS

Average Asking Rate Direct Monthly Lease Rates, Full Service Gross. *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

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Silicon Valley Office, Q4 2014

Highest net absorption rate since 2000

Vacancy Rate
8.0%

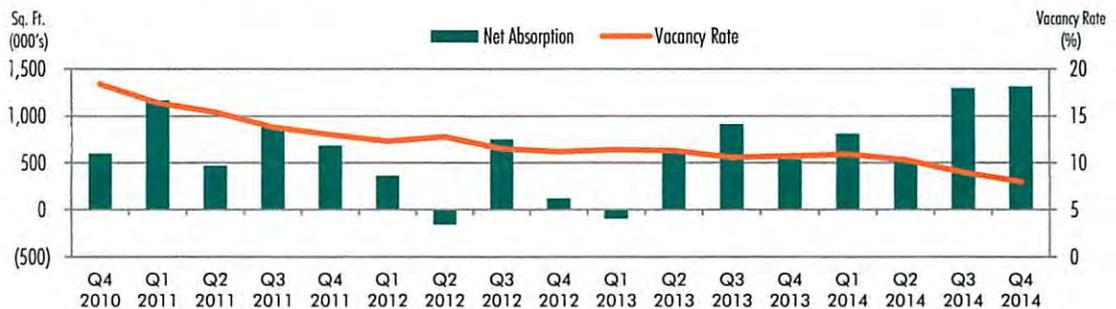
Lease Rate
\$3.78 PSF

Net Absorption
1.3 MSF

Under Construction
8.6 MSF

Figure 1: Total Vacancy vs. Net Absorption

*Arrows indicate change from previous quarter.



Source: CBRE Research, Q4 2014.

The market absorbed 3.9 million sq. ft. in 2014, or 6.0% of the total product, the highest rate since 6.2% in 2000. The fourth quarter closed out 2014 with the largest single quarter occupancy gain since Q4 2003. Class A product accounted for 997,482 sq. ft. of positive net absorption, including large contributions from pre-leased construction completions at 625-685 Clyde Ave in Mountain View (385,000 sq. ft.) and 815 11th Ave in Sunnyvale (232,000 sq. ft.), as well as leases by Service Now and TSMC totaling 462,513 sq. ft. in Santa Clara.

Vacancy fell 100 basis points (bps) to 8.0%, the lowest rate in since Q4 2000. Santa Clara experienced the largest drop in vacancy, falling 280 bps quarter-over-quarter and 620 bps year-over-year. Nine submarkets had a reduction in vacancy of at least 50 bps.

Average asking rates in the Silicon Valley rose every quarter over the past 4 years to \$3.78, up

3.3% for the quarter and 11.5% for the year. The largest increase occurred in North San Jose, which grew 5.9% quarter-over-quarter to \$2.68.

Overall, leasing activity picked up as gross absorption nearly doubled from Q3 2014. This quarter was dominated by large leases, with 10 this quarter over 50,000 sq. ft. nearly doubling the amount from the third quarter. Total sales activity by square footage increased more than 170%, including over 1.1 million sq. ft. of investment sales.

There was a total of 687,251 sq. ft. in construction completions this quarter. 8.6 million sq. ft. is currently under construction in the Silicon Valley, with 4.1 million sq. ft. slated for completion in 2015. With 73% of construction projects pre-leased or user-owned, and office tenant demand remaining at a consistently high level, all signs point to continued growth during the next year.

Figure 2: Total Office Market Statistics

| Submarket | Net Rentable Area | Total Vacancy % | Total Availability % | Average Asking Rate (\$/SF) | Q4 Net Absorption | YTD Net Absorption |
|-------------------------------------|-------------------|-----------------|----------------------|-----------------------------|-------------------|--------------------|
| San Jose - Downtown | 10,412,214 | 13.2 | 15.0 | 2.47 | 80,677 | 416,617 |
| Class A - CBD | 4,262,390 | 12.4 | 15.3 | 3.18 | (25,353) | 163,501 |
| San Jose - North | 9,368,065 | 13.8 | 17.5 | 2.68 | 222,050 | 3,237 |
| Class A | 6,106,640 | 11.4 | 13.8 | 2.87 | 38,733 | (90,310) |
| San Jose - South ¹ | 2,006,573 | 13.7 | 14.2 | 1.76 | (6,542) | 27,680 |
| Class A | 625,786 | 21.6 | 21.6 | 2.22 | (14,880) | (14,880) |
| West Valley ² | 5,039,898 | 4.6 | 6.7 | 2.77 | 25,331 | 127,180 |
| Class A | 1,449,340 | 8.7 | 12.5 | 4.03 | 5,053 | 38,609 |
| Milpitas/IBP | 1,345,211 | 7.1 | 8.0 | 1.44 | 12,261 | 65,560 |
| Class A | 319,655 | 15.1 | 16.4 | 2.07 | 7,134 | 40,888 |
| Cupertino | 4,026,993 | 1.0 | 1.5 | 4.01 | 9,267 | (4,695) |
| Class A | 2,635,222 | 0.1 | 0.1 | 4.45 | - | 3,089 |
| Santa Clara | 10,516,787 | 8.9 | 14.7 | 3.31 | 308,689 | 1,158,693 |
| Class A | 6,478,125 | 10.7 | 15.4 | 3.77 | 316,159 | 1,122,051 |
| Sunnyvale | 7,447,659 | 5.1 | 5.2 | 4.45 | 185,305 | 1,511,369 |
| Class A | 6,189,000 | 5.3 | 5.3 | 4.74 | 203,169 | 1,537,815 |
| Mountain View/Los Altos | 6,550,693 | 2.0 | 3.2 | 6.32 | 456,400 | 515,667 |
| Class A | 3,829,953 | 1.8 | 3.1 | 6.93 | 458,481 | 465,654 |
| Palo Alto | 6,884,257 | 4.2 | 6.2 | 7.06 | (3,776) | 42,737 |
| Class A | 3,068,118 | 2.5 | 4.3 | 8.55 | 8,986 | 62,445 |
| Fremont | 2,122,399 | 9.7 | 11.1 | 1.69 | 20,503 | 49,308 |
| Class A | 542,736 | 8.2 | 10.7 | 2.04 | - | 848 |
| Silicon Valley Office Market | 65,720,749 | 8.0 | 10.3 | 3.78 | 1,310,165 | 3,923,043 |
| Class A | 35,917,397 | 7.7 | 9.8 | 4.44 | 997,482 | 3,338,355 |

Source: CBRE Research, Q4 2014.

¹ San Jose - South is comprised of the Meridian, San Jose East and San Jose South Submarkets

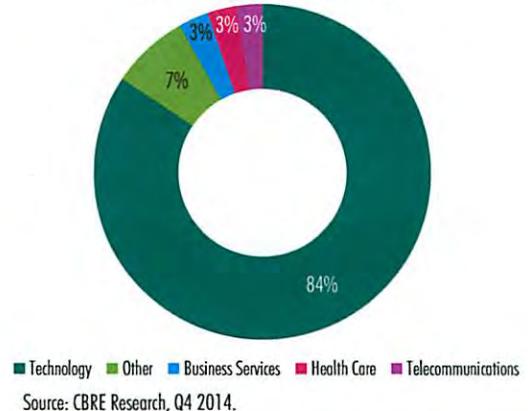
² West Valley is comprised of the Los Gatos, Campbell, Saratoga and Winchester submarkets

Figure 3: Top Leases / Top Sales

| Lease (Tenant) | Address | Total SF |
|---------------------|-----------------------------|-----------|
| Confidential | 1152 Bordeaux Dr, Sunnyvale | 1,944,132 |
| Service Now | 2215 Lawson Ln, Santa Clara | 306,900 |
| TSMC | 2851 Junction Ave, San Jose | 155,613 |
| Sale (Buyer) | Address | Total SF |
| Ellis Partners, LLC | 1901 Bascom Ave, Campbell | 351,249 |
| KBS Realty Advisors | 10 Almaden Blvd, San Jose | 309,255 |
| Lennar Corporation | 3689 Kifer Rd, Santa Clara | 188,000 |

Source: CBRE Research, Q4 2014.

Figure 4: Top 25 Leases by Industry



LEASE RATES

Asking rates increased for the seventeenth consecutive quarter, as the overall asking lease rate increased 3.3% to \$3.78, the highest mark since Q2 2001. Class A asking rates rose to \$4.44, a 3.5% increase quarter-over-quarter. The largest increases came in North San Jose, where overall rates rose 5.9% to \$2.68, and Santa Clara, which rose 4.6% to \$3.31. San Jose CBD rose 1.9% overall to \$2.70 as Class A asking rates increased to \$3.18.

NET ABSORPTION

Net absorption for the fourth quarter topped 1.3 million sq. ft., the seventh straight quarter of positive net absorption and the highest total since Q4 2003. Much of the absorption was driven by several construction completions as well as a number of new Class A leases, including vacancies filled at 2215-2225 Lawson Ln, Santa Clara and 2851 Junction Ave, Santa Clara. Class A accounted for over 76% of the net absorption in Q4 2014.

VACANCY & AVAILABILITY

Market wide vacancy fell 100 bps to 8% and availability fell 130 bps to 10.3%, the lowest marks since Q4 2000 and Q3 2007, respectively. The largest decreases in vacancy and availability occurred in Santa Clara. Vacancy fell 280 bps to 8.9% and availability fell 330 bps to 14.7%. Another significant vacancy decrease includes a 260 bps drop in North San Jose as vacancy fell for a third consecutive quarter.

CONSTRUCTION COMPLETIONS

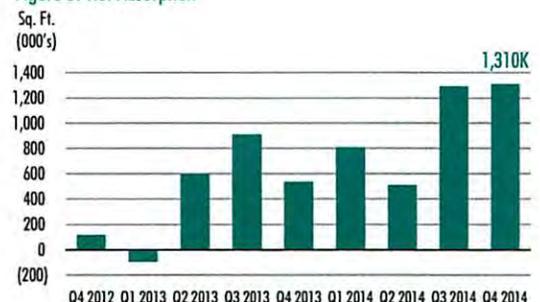
4 total office construction projects completed this quarter, including 434,052 sq. ft. in Mountain View, 21,199 sq. ft. in Los Altos, and 232,000 sq. ft. in Sunnyvale. There is currently 8.6 M sq. ft. under construction with another 7.6 M sq. ft. approved, 4.1 million sq. ft. of which is scheduled to finish within the next year. Construction activity will continue to remain high as tenant demand remains at an elevated level.

Figure 5: Lease Rates



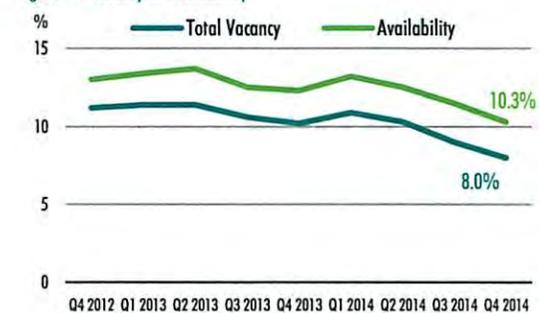
Source: CBRE Research, Q4 2014.

Figure 6: Net Absorption



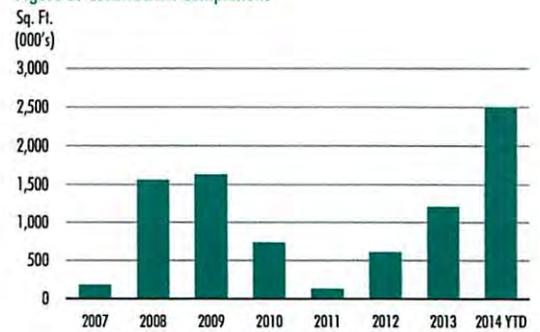
Source: CBRE Research, Q4 2014.

Figure 7: Vacancy & Availability



Source: CBRE Research, Q4 2014.

Figure 8: Construction Completions



Source: CBRE Research, Q4 2014.

Silicon Valley Office, Q4 2014

Figure 1: Statistics and Transactions

| Submarket | NRA | Total Vacancy % | Total Vacant SF | Total Availability % | Total Direct Available | Total Sublease Available | Average Asking Rate ¹ (\$/SF) | Q4 Net Absorption | Q4 Gross Absorption | YTD Net Absorption |
|----------------------------|-------------------|-----------------|------------------|----------------------|------------------------|--------------------------|--|-------------------|---------------------|--------------------|
| San Jose - Downtown | 10,412,214 | 13.2 | 1,369,500 | 15.0 | 1,506,911 | 50,881 | 2.47 | 80,677 | 297,002 | 416,617 |
| Metro | 2,742,577 | 6.3 | 171,538 | 6.8 | 183,918 | 1,753 | 1.82 | 44,297 | 57,010 | 75,691 |
| CBD | 7,669,637 | 15.6 | 1,197,962 | 17.9 | 1,322,993 | 49,128 | 2.70 | 36,380 | 239,992 | 340,926 |
| Class A | 4,262,390 | 12.4 | 530,635 | 15.3 | 610,814 | 39,577 | 3.18 | (25,353) | 135,368 | 163,501 |
| Class B | 2,867,724 | 20.4 | 584,433 | 22.0 | 622,136 | 9,551 | 2.16 | 61,733 | 104,624 | 138,171 |
| Class C | 539,523 | 15.4 | 82,894 | 16.7 | 90,043 | 0 | 1.75 | 0 | 0 | 39,254 |
| San Jose - North | 9,368,065 | 13.8 | 1,293,472 | 17.5 | 1,451,153 | 185,118 | 2.68 | 222,050 | 416,495 | 3,237 |
| Class A | 6,106,640 | 11.4 | 693,259 | 13.8 | 695,535 | 146,599 | 2.87 | 38,733 | 185,437 | (90,310) |
| Class B | 2,328,186 | 21.7 | 506,213 | 29.3 | 644,119 | 38,519 | 2.46 | 163,908 | 211,271 | 81,614 |
| Class C | 933,239 | 10.1 | 94,000 | 11.9 | 111,499 | 0 | 1.95 | 19,409 | 19,787 | 11,933 |
| San Jose - South | 2,006,573 | 13.7 | 275,491 | 14.2 | 281,696 | 3,543 | 1.76 | (6,542) | 13,148 | 27,680 |
| Class A | 625,786 | 21.6 | 135,159 | 21.6 | 135,159 | 0 | 2.22 | (14,880) | 0 | (14,880) |
| Class B | 632,548 | 4.7 | 29,568 | 5.4 | 34,211 | 0 | 1.71 | 6,026 | 5,760 | 39,518 |
| Class C | 748,239 | 14.8 | 110,764 | 15.5 | 112,326 | 3,543 | 1.42 | 2,312 | 7,388 | 3,042 |
| West Valley | 5,039,898 | 4.6 | 232,195 | 6.7 | 286,679 | 49,835 | 2.77 | 25,331 | 260,140 | 127,180 |
| Class A | 1,449,340 | 8.7 | 126,243 | 12.5 | 149,077 | 32,381 | 4.03 | 5,053 | 96,220 | 38,609 |
| Class B | 1,683,106 | 3.1 | 51,438 | 5.5 | 78,606 | 14,470 | 2.73 | 19,805 | 94,633 | 65,378 |
| Class C | 1,907,452 | 2.9 | 54,514 | 3.2 | 58,996 | 2,984 | 1.86 | 473 | 69,287 | 23,193 |
| IBP/Milpitas | 1,345,211 | 7.1 | 95,674 | 8.0 | 97,200 | 10,791 | 1.44 | 12,261 | 24,299 | 65,560 |
| Class A | 319,655 | 15.1 | 48,161 | 16.4 | 48,161 | 4,123 | 2.07 | 7,134 | 19,172 | 40,888 |
| Class B | 399,578 | 6.6 | 26,174 | 6.9 | 27,700 | 0 | 1.44 | 1,841 | 1,841 | 7,561 |
| Class C | 625,978 | 3.4 | 21,339 | 4.5 | 21,339 | 6,668 | 1.12 | 3,286 | 3,286 | 17,111 |
| Cupertino | 4,026,993 | 1.0 | 39,568 | 1.5 | 54,417 | 5,902 | 4.01 | 9,267 | 40,540 | (4,695) |
| Class A | 2,635,222 | 0.1 | 2,030 | 0.1 | 2,030 | 0 | 4.45 | 0 | 0 | 3,089 |
| Class B | 1,370,183 | 2.7 | 37,538 | 4.3 | 52,387 | 5,902 | 3.20 | 9,267 | 39,359 | (7,784) |
| Class C | 21,588 | 0.0 | 0 | 0.0 | 0 | 0 | 2.35 | 0 | 1,181 | 0 |
| Santa Clara | 10,516,787 | 8.9 | 935,796 | 14.7 | 1,386,127 | 159,302 | 3.31 | 308,689 | 585,457 | 1,158,693 |
| Class A | 6,478,125 | 10.7 | 693,985 | 15.4 | 902,793 | 97,073 | 3.77 | 316,159 | 440,055 | 1,122,051 |
| Class B | 2,154,483 | 6.6 | 142,703 | 20.1 | 371,886 | 62,229 | 2.88 | (11,512) | 133,902 | 8,265 |
| Class C | 1,884,179 | 5.3 | 99,108 | 5.9 | 111,448 | 0 | 2.21 | 4,042 | 11,500 | 28,377 |
| Sunnyvale | 7,447,659 | 5.1 | 378,074 | 5.2 | 355,408 | 33,000 | 4.45 | 185,305 | 2,090,150 | 1,511,369 |
| Class A | 6,189,000 | 5.3 | 329,679 | 5.3 | 296,679 | 33,000 | 4.74 | 203,169 | 2,070,528 | 1,537,815 |
| Class B | 624,515 | 5.8 | 36,294 | 5.8 | 36,294 | 0 | 3.49 | (15,807) | 16,524 | (31,085) |
| Class C | 634,144 | 1.9 | 12,101 | 3.5 | 22,435 | 0 | 2.55 | (2,057) | 3,098 | 4,639 |
| Mountain View/Los Altos | 6,550,693 | 2.0 | 134,076 | 3.2 | 160,263 | 52,347 | 6.32 | 456,400 | 239,303 | 515,667 |
| Class A | 3,829,953 | 1.8 | 67,055 | 3.1 | 71,021 | 46,506 | 6.93 | 458,481 | 156,619 | 465,654 |
| Class B | 2,495,961 | 2.5 | 62,973 | 3.4 | 79,314 | 5,841 | 5.58 | (15,002) | 65,452 | 45,744 |
| Class C | 224,779 | 1.8 | 4,048 | 4.4 | 9,928 | 0 | 4.26 | 12,921 | 17,232 | 4,269 |
| Palo Alto | 6,884,257 | 4.2 | 285,451 | 6.2 | 343,809 | 82,994 | 7.06 | (3,776) | 197,030 | 42,737 |
| Class A | 3,068,118 | 2.5 | 77,202 | 4.3 | 97,701 | 34,605 | 8.55 | 8,986 | 39,534 | 62,445 |
| Class B | 3,307,126 | 5.8 | 192,409 | 7.3 | 195,368 | 45,789 | 6.35 | (5,287) | 144,846 | (14,737) |
| Class C | 509,013 | 3.1 | 15,840 | 10.5 | 50,740 | 2,600 | 3.85 | (7,475) | 12,650 | (4,971) |
| Fremont | 2,122,399 | 9.7 | 206,620 | 11.1 | 235,427 | 1,098 | 1.69 | 20,503 | 32,904 | 49,308 |
| Class A | 542,736 | 8.2 | 44,322 | 10.7 | 57,988 | 0 | 2.04 | 0 | 5,350 | 848 |
| Class B | 988,515 | 14.4 | 142,689 | 16.0 | 157,830 | 0 | 1.65 | 17,808 | 20,385 | 30,062 |
| Class C | 591,148 | 3.3 | 19,609 | 3.5 | 19,609 | 1,098 | 1.43 | 2,695 | 7,169 | 18,398 |
| Total Office Market | 65,720,749 | 8.0 | 5,245,917 | 10.3 | 6,159,090 | 634,811 | 3.78 | 1,310,165 | 4,196,468 | 3,923,043 |
| Class A | 35,917,397 | 7.7 | 2,753,475 | 9.8 | 3,072,703 | 433,864 | 4.44 | 997,482 | 3,148,283 | 3,338,355 |
| Class B | 20,087,430 | 9.5 | 1,902,560 | 12.8 | 2,394,794 | 184,054 | 3.48 | 252,679 | 870,664 | 384,781 |
| Class C | 9,715,922 | 6.1 | 589,882 | 7.3 | 691,593 | 16,893 | 1.99 | 60,004 | 177,521 | 199,907 |

Source: CBRE Research, Q4 2014.

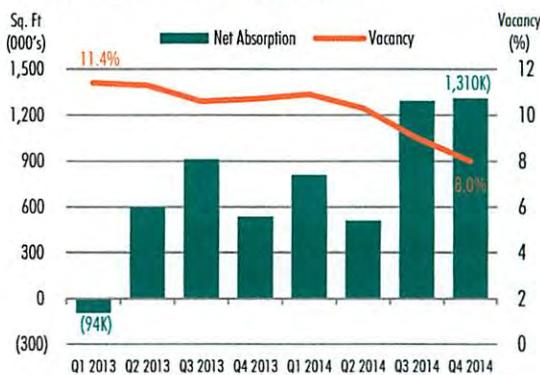
¹Monthly Direct Lease Rates, Full Service Gross

Figure 2: Average Asking Rates



Source: CBRE Research, Q4 2014.

Figure 3: Net Absorption and Vacancy



Source: CBRE Research, Q4 2014.

Figure 4: Significant Lease Transactions of the Quarter

| Lessee | Address | Total SF | Class | Lease Type |
|-------------------------------|------------------------------------|-----------|-------|------------|
| Confidential | 1152 Bordeaux Dr, Sunnyvale | 1,944,132 | A | New Lease |
| Service Now | 2215 Lawson Ln, Santa Clara | 306,900 | A | New Lease |
| TSMC | 2851 Junction Ave, San Jose | 155,613 | B | New Lease |
| LinkedIn | 4440 El Camino Real, Los Altos | 96,562 | A | New Lease |
| Santa Clara University | 455 El Camino Real, Santa Clara | 75,598 | A | New Lease |
| Equinix | 1188 Arques Ave, Sunnyvale | 71,241 | A | Renewal |
| Morrison & Foerster | 755 Page Mill Rd, Palo Alto | 70,244 | B | New Lease |
| Folio Architects | 4633 Old Ironsides Dr, Santa Clara | 50,000 | B | New Lease |
| Heritage Commerce Corporation | 150 Almaden Blvd, San Jose | 36,772 | A | Renewal |
| Invensense, Inc. | 1745 Technology Dr, San Jose | 29,357 | A | New Lease |

Source: CBRE Research, Q4 2014.

Figure 5: Significant Sale Transactions of the Quarter

| Buyer | Address | Total SF | Class | Type |
|---------------------|------------------------------|----------|-------|------------|
| Ellis Partners, LLC | 1901 Bascom Ave, Campbell | 351,249 | A | Investment |
| KBS Realty Advisors | 10 Almaden Blvd, San Jose | 309,255 | A | Investment |
| Lennar Corporation | 3689 Kifer Rd, Santa Clara | 188,000 | B | Investment |
| Wealthcap | 303 Bryant St, Mountain View | 56,250 | A | Investment |

Source: CBRE Research, Q4 2014.

Disclaimer: Information contained herein, including projections, has been obtained from sources believed to be reliable. While we do not doubt its accuracy, we have not verified it and make no guarantee, warranty or representation about it. It is your responsibility to confirm independently its accuracy and completeness. This information is presented exclusively for use by CBRE clients and professionals and all rights to the material are reserved and cannot be reproduced without prior written permission of CBRE.

Silicon Valley, Office Statistics & Transactions

Q4 2013

CBRE Global Research and Consulting

| Submarket | NRA | Total Vacancy % | Total Vacant SF | Total Availability % | Total Direct Available | Total Sublease Available | Average Asking Rate* | Q4 Net Absorption | Q4 Gross Absorption | Annual Net Absorption |
|-------------------------------------|-------------------|-----------------|------------------|----------------------|------------------------|--------------------------|----------------------|-------------------|---------------------|-----------------------|
| San Jose - Downtown | 10,414,087 | 17.2% | 1,789,984 | 19.8% | 1,922,722 | 139,714 | \$2.19 | 121,605 | 316,606 | 159,520 |
| Metro ¹ | 2,742,577 | 9.2% | 250,987 | 13.1% | 276,778 | 83,278 | \$1.71 | 25,665 | 58,450 | 26,790 |
| CBD | 7,671,510 | 20.1% | 1,538,997 | 22.2% | 1,645,944 | 56,436 | \$2.36 | 95,940 | 258,156 | 132,730 |
| Class A | 4,261,826 | 16.3% | 694,245 | 18.9% | 786,269 | 20,857 | \$2.71 | 96,049 | 197,252 | 61,569 |
| Class B | 2,870,161 | 25.2% | 722,604 | 26.9% | 737,527 | 35,579 | \$1.97 | (14,312) | 46,701 | 38,168 |
| Class C | 539,523 | 22.6% | 122,148 | 22.6% | 122,148 | 0 | \$1.70 | 14,203 | 14,203 | 32,993 |
| San Jose - North | 9,271,739 | 14.1% | 1,309,061 | 20.8% | 1,820,520 | 104,206 | \$2.34 | 154,487 | 368,325 | 255,356 |
| Class A | 6,106,640 | 9.9% | 605,774 | 16.5% | 926,386 | 82,406 | \$2.53 | 203,668 | 249,011 | 315,635 |
| Class B | 2,231,860 | 26.8% | 597,354 | 36.0% | 785,624 | 17,291 | \$2.10 | (39,977) | 117,161 | (38,992) |
| Class C | 933,239 | 11.4% | 105,933 | 12.1% | 108,510 | 4,509 | \$1.65 | (9,204) | 2,153 | (21,287) |
| San Jose - South² | 1,988,077 | 15.2% | 302,644 | 15.6% | 302,017 | 8,455 | \$1.70 | 7,835 | 21,782 | 19,743 |
| Class A | 625,786 | 19.2% | 120,279 | 19.2% | 120,279 | 0 | \$2.17 | 1,034 | 1,034 | (8,966) |
| Class B | 632,548 | 10.9% | 69,086 | 11.1% | 70,436 | 0 | \$1.65 | (4,609) | 3,260 | 17,359 |
| Class C | 729,743 | 15.5% | 113,279 | 16.4% | 111,302 | 8,455 | \$1.34 | 11,410 | 17,488 | 11,350 |
| West Valley³ | 5,039,898 | 7.5% | 376,246 | 8.9% | 408,365 | 42,618 | \$2.50 | 45,824 | 221,015 | 57,388 |
| Class A | 1,449,340 | 12.4% | 179,318 | 14.7% | 178,758 | 33,622 | \$3.59 | 32,749 | 83,583 | 11,759 |
| Class B | 1,683,106 | 7.0% | 118,570 | 8.5% | 143,100 | 0 | \$2.56 | (675) | 89,520 | 5,289 |
| Class C | 1,907,452 | 4.1% | 78,358 | 5.0% | 86,507 | 8,996 | \$1.63 | 13,750 | 47,912 | 40,340 |
| IBP/Milpitas | 1,345,211 | 12.0% | 161,234 | 12.7% | 152,968 | 17,760 | \$1.37 | (10,174) | 27,184 | 12,183 |
| Class A | 319,655 | 27.9% | 89,049 | 28.7% | 80,783 | 11,092 | \$1.85 | (3,563) | 20,707 | (8,263) |
| Class B | 399,578 | 8.4% | 33,735 | 8.4% | 33,735 | 0 | \$1.40 | (3,621) | 5,714 | 34,042 |
| Class C | 625,978 | 6.1% | 38,450 | 7.2% | 38,450 | 6,668 | \$1.10 | (2,990) | 763 | (13,596) |
| Santa Clara | 9,855,880 | 15.1% | 1,487,828 | 16.3% | 1,480,030 | 127,068 | \$2.76 | 47,481 | 257,015 | 452,215 |
| Class A | 5,889,790 | 20.5% | 1,205,967 | 22.4% | 1,194,183 | 125,632 | \$3.10 | 118,787 | 151,811 | 429,548 |
| Class B | 2,006,601 | 7.7% | 154,376 | 7.9% | 157,785 | 0 | \$2.60 | (68,069) | 82,217 | 21,024 |
| Class C | 1,959,489 | 6.5% | 127,485 | 6.6% | 128,062 | 1,436 | \$1.90 | (3,237) | 22,987 | 1,643 |
| Cupertino | 4,026,993 | 0.9% | 35,439 | 1.8% | 74,200 | 0 | \$3.85 | 34,906 | 52,120 | 632 |
| Class A | 2,635,222 | 0.2% | 5,119 | 1.0% | 25,883 | 0 | \$4.25 | 10,426 | 13,095 | (5,119) |
| Class B | 1,370,183 | 2.2% | 30,320 | 3.5% | 48,317 | 0 | \$3.10 | 24,480 | 37,885 | 5,751 |
| Class C | 21,588 | 0.0% | 0 | 0.0% | 0 | 0 | \$2.02 | 0 | 1,140 | 0 |
| Sunnyvale | 6,111,101 | 9.0% | 552,885 | 10.0% | 564,873 | 44,145 | \$4.01 | 6,182 | 25,944 | 94,659 |
| Class A | 4,852,442 | 10.9% | 530,936 | 11.8% | 530,707 | 43,945 | \$4.35 | 0 | 0 | 40,412 |
| Class B | 624,515 | 0.8% | 5,209 | 1.7% | 10,128 | 200 | \$3.01 | (812) | 14,157 | 31,287 |
| Class C | 634,144 | 2.6% | 16,740 | 3.8% | 24,038 | 0 | \$2.35 | 6,994 | 11,787 | 22,960 |
| Mountain View/Los Altos | 5,982,880 | 2.5% | 147,790 | 3.5% | 199,397 | 9,938 | \$5.68 | 114,471 | 288,293 | 744,072 |
| Class A | 3,265,387 | 0.9% | 30,756 | 1.8% | 50,542 | 8,872 | \$6.25 | 90,390 | 134,621 | 729,985 |
| Class B | 2,492,714 | 4.4% | 108,717 | 5.7% | 140,538 | 1,066 | \$5.10 | 18,492 | 88,328 | 10,509 |
| Class C | 224,779 | 3.7% | 8,317 | 3.7% | 8,317 | 0 | \$3.75 | 5,589 | 14,427 | 3,578 |
| Palo Alto | 6,801,360 | 4.6% | 313,839 | 5.3% | 265,071 | 77,755 | \$6.81 | (2,613) | 425,228 | 83,133 |
| Class A | 2,990,963 | 4.1% | 123,703 | 4.9% | 87,240 | 59,899 | \$8.20 | 28,939 | 230,199 | 154,258 |
| Class B | 3,280,384 | 5.5% | 179,267 | 6.1% | 166,962 | 17,856 | \$6.15 | (36,956) | 187,145 | (65,236) |
| Class C | 530,013 | 2.1% | 10,869 | 2.1% | 10,869 | 0 | \$3.05 | 5,404 | 7,884 | (5,889) |
| Fremont | 2,062,399 | 13.0% | 268,370 | 13.8% | 285,349 | 0 | \$1.68 | 15,349 | 37,430 | 69,986 |
| Class A | 542,736 | 8.3% | 45,170 | 9.0% | 48,960 | 0 | \$2.00 | (3,688) | 5,223 | 10,388 |
| Class B | 928,515 | 19.9% | 185,193 | 21.4% | 198,382 | 0 | \$1.65 | 14,674 | 24,081 | 40,732 |
| Class C | 591,148 | 6.4% | 38,007 | 6.4% | 38,007 | 0 | \$1.43 | 4,363 | 8,126 | 18,866 |
| Silicon Valley Office Market | 62,899,625 | 10.7% | 6,745,320 | 12.8% | 7,475,512 | 571,659 | \$3.39 | 535,353 | 2,040,942 | 1,948,887 |
| Class A | 33,350,219 | 10.9% | 3,635,016 | 13.3% | 4,034,690 | 386,325 | \$3.95 | 574,791 | 1,142,916 | 1,731,206 |
| Class B | 19,755,670 | 11.7% | 2,320,391 | 14.1% | 2,619,879 | 149,381 | \$3.25 | (76,920) | 749,716 | 147,320 |
| Class C | 9,793,736 | 8.1% | 789,913 | 8.7% | 820,943 | 35,953 | \$1.77 | 37,482 | 148,310 | 70,361 |

¹ Metro is comprised of buildings within Downtown and outside of CBD

² San Jose - South is comprised of the Meridian, San Jose East and San Jose South submarkets

³ West Valley is comprised of the Los Gatos, Campbell, Saratoga and Winchester submarkets

*Direct Monthly Lease Rates, Full Service Gross

Chart #1: Lease Rates

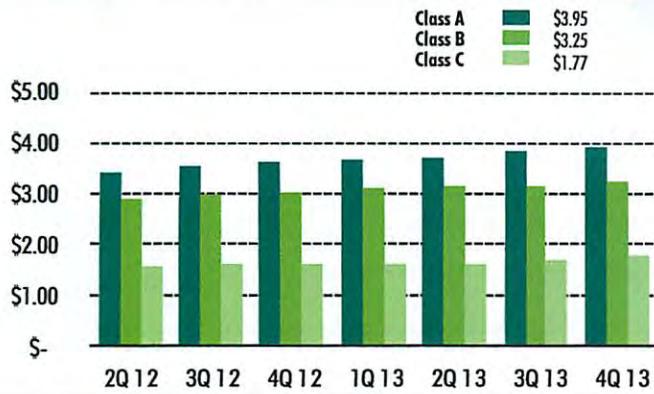


Chart #2: Net Absorption & Vacancy

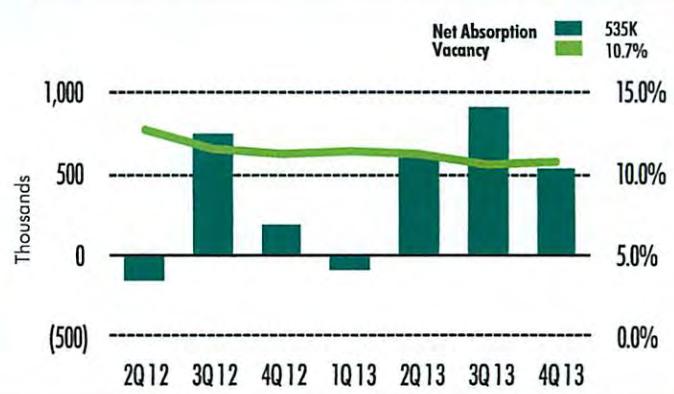


Table 1: Significant Lease Transactions of the Quarter

| Lessee | Address | Total SF | Class | Type |
|--------------------------------|--|----------|-------|-----------|
| Fenwick & West | 400 Castro St, Mountain View | 128,781 | A | Renewal |
| Caviium Networks | 2315 N First St, San Jose | 110,881 | A | New Lease |
| Akamai | 3333 Scott Blvd, Santa Clara | 76,146 | A | New Lease |
| Ernst & Young | 303 Almaden Blvd, San Jose | 73,229 | A | Renewal |
| Virident Systems, Inc. | 1745 Technology Dr, San Jose | 67,861 | A | New Lease |
| Morgan Lewis | 1400 Page Mill Rd, Palo Alto | 60,000 | A | New Lease |
| Roku, Inc. | 12900 Saratoga & 18764 Cox Ave, Saratoga | 56,852 | B | Renewal |
| Morgan Lewis | 3000 El Camino Real, Palo Alto | 53,164 | A | Renewal |
| Apigee | 10 Almaden Blvd, San Jose | 41,151 | A | New Lease |
| NTT Innovation Institute, Inc. | 1950 University Ave, East Palo Alto | 28,207 | A | New Lease |

Table 2: Significant Sale Transactions of the Quarter

| Buyer | Address | Total SF | Class | Type |
|--------------------------------------|--------------------------------|----------|-------|----------|
| USAA Real Estate Company | America Center, San Jose | 430,852 | A | Investor |
| Principal Real Estate Investors, LLC | 225 W Santa Clara St, San Jose | 349,318 | A | Investor |
| LaSalle Investment Management | 60 S Market St, San Jose | 232,500 | A | Investor |
| Invesco | 525 Almanor Ave, Sunnyvale | 166,300 | A | Investor |

Table 3: Significant Construction Projects

| Project | City | Total SF | % Pre-Committed |
|------------------------------|----------------|----------|-----------------|
| 555 N Mathilda (LinkedIn) | Sunnyvale | 657,230 | 100% |
| Samsung HQ | North San Jose | 650,000 | 100% |
| Santa Clara Gateway Phase II | Santa Clara | 465,643 | 35% |
| 625-685 Clyde Dr | Mountain View | 385,730 | 100% |
| Moffett Towers Phase II | Sunnyvale | 357,000 | 100% |
| 690 E Middlefield Rd | Mountain View | 340,913 | 100% |
| 5403 Stevens Creek Blvd | Santa Clara | 300,000 | 100% |
| Technology Corners | Sunnyvale | 232,000 | 100% |

Information contained herein, including projections, has been obtained from sources believed to be reliable. While we do not doubt its accuracy, we have not verified it and make no guarantee, warranty or representation about it. It is your responsibility to confirm independently its accuracy and completeness. This information is presented exclusively for use by CBRE clients and professionals and all rights to the material are reserved and cannot be reproduced without prior written permission of the CBRE Global Chief Economist.

Silicon Valley, Office Statistics & Transactions

Q4 2012

CBRE Global Research and Consulting

| Submarket | NRA | Total Vacancy % | Total Vacant SF | Total Availability % | Total Direct Available | Total Sublease Available | Average Asking Rate* | Q4 Net Absorption | Q4 Gross Absorption | Annual Net Absorption |
|-------------------------------------|-------------------|-----------------|------------------|----------------------|------------------------|--------------------------|----------------------|-------------------|---------------------|-----------------------|
| San Jose - Downtown | 10,282,648 | 19.5% | 1,999,993 | 21.3% | 2,136,350 | 51,208 | \$2.02 | 78,288 | 153,436 | 22,051 |
| Metro ¹ | 2,659,076 | 10.3% | 274,607 | 11.4% | 267,508 | 7,099 | \$1.46 | 27,247 | 56,547 | 26,495 |
| CBD | 7,623,572 | 22.6% | 1,725,386 | 24.7% | 1,839,874 | 44,109 | \$2.21 | 51,041 | 96,889 | (4,444) |
| Class A | 4,350,888 | 19.4% | 844,273 | 20.9% | 891,635 | 16,700 | \$2.51 | 44,096 | 55,793 | 36,005 |
| Class B | 2,733,161 | 26.1% | 712,252 | 29.2% | 771,062 | 27,409 | \$1.89 | 8,135 | 41,096 | (26,625) |
| Class C | 539,523 | 31.3% | 168,861 | 32.8% | 177,177 | 0 | \$1.45 | (1,190) | 0 | (13,824) |
| San Jose - North | 8,947,004 | 15.8% | 1,415,186 | 18.4% | 1,453,458 | 188,812 | \$2.09 | (154,056) | 219,138 | (84,053) |
| Class A | 6,114,448 | 15.2% | 932,100 | 18.5% | 949,201 | 183,295 | \$2.27 | (27,702) | 68,385 | (631) |
| Class B | 1,902,242 | 20.9% | 398,440 | 22.1% | 414,698 | 5,517 | \$1.83 | (116,604) | 150,753 | (87,820) |
| Class C | 930,314 | 9.1% | 84,646 | 9.6% | 89,559 | 0 | \$1.46 | (9,750) | 0 | 4,398 |
| San Jose - South² | 1,988,077 | 16.6% | 330,461 | 17.1% | 340,502 | 0 | \$1.68 | (126,043) | 12,385 | (54,530) |
| Class A | 625,786 | 18.7% | 116,779 | 19.2% | 120,279 | 0 | \$2.11 | (116,779) | 0 | (95,171) |
| Class B | 632,548 | 13.7% | 86,445 | 14.7% | 92,986 | 0 | \$1.65 | 8,210 | 8,210 | 9,597 |
| Class C | 729,743 | 17.4% | 127,237 | 17.4% | 127,237 | 0 | \$1.34 | (17,474) | 4,175 | 31,044 |
| West Valley³ | 5,059,493 | 9.5% | 482,028 | 12.8% | 599,341 | 47,590 | \$2.14 | (34,020) | 122,089 | 90,678 |
| Class A | 1,803,573 | 11.6% | 208,506 | 18.8% | 311,408 | 27,969 | \$3.03 | (22,544) | 49,926 | 86,177 |
| Class B | 905,844 | 8.4% | 75,885 | 11.9% | 102,737 | 5,040 | \$2.21 | 10,889 | 23,124 | (9,445) |
| Class C | 2,350,076 | 8.4% | 197,637 | 8.5% | 185,196 | 14,581 | \$1.43 | (22,365) | 49,039 | 13,946 |
| IBP/Milpitas | 1,345,211 | 13.4% | 180,743 | 13.8% | 185,743 | 0 | \$1.37 | 28,431 | 68,324 | 38,403 |
| Class A | 319,655 | 27.6% | 88,112 | 27.6% | 88,112 | 0 | \$1.85 | 28,616 | 28,616 | 35,631 |
| Class B | 399,578 | 17.0% | 67,777 | 18.2% | 72,777 | 0 | \$1.40 | 266 | 33,074 | 7,744 |
| Class C | 625,978 | 4.0% | 24,854 | 4.0% | 24,854 | 0 | \$1.10 | (451) | 6,634 | (4,972) |
| Santa Clara | 8,883,899 | 12.6% | 1,116,726 | 15.9% | 1,259,689 | 148,647 | \$2.43 | 124,129 | 420,118 | 288,235 |
| Class A | 4,875,842 | 13.5% | 657,570 | 18.7% | 777,171 | 135,764 | \$2.78 | 49,186 | 193,277 | 312,288 |
| Class B | 2,048,653 | 13.1% | 268,467 | 14.9% | 298,746 | 5,966 | \$2.25 | 72,524 | 168,368 | (58,305) |
| Class C | 1,959,404 | 9.7% | 190,689 | 9.7% | 183,772 | 6,917 | \$1.73 | 2,419 | 58,473 | 34,252 |
| Cupertino | 4,026,993 | 1.1% | 45,734 | 1.4% | 47,431 | 9,663 | \$3.72 | 16,499 | 40,837 | 44,191 |
| Class A | 2,635,222 | 0.0% | 0 | 0.1% | 1,962 | 0 | \$4.05 | 14,363 | 17,710 | 12,885 |
| Class B | 1,370,183 | 3.3% | 45,734 | 4.0% | 45,469 | 9,663 | \$3.10 | 2,136 | 23,127 | 30,087 |
| Class C | 21,588 | 0.0% | 0 | 0.0% | 0 | 0 | \$2.02 | 0 | 0 | 1,219 |
| Sunnyvale | 5,991,971 | 4.8% | 289,977 | 7.0% | 400,297 | 18,230 | \$3.86 | 176,282 | 222,423 | 541,967 |
| Class A | 4,736,262 | 4.5% | 213,781 | 7.0% | 317,733 | 16,048 | \$4.19 | 25,834 | 40,651 | 503,423 |
| Class B | 624,515 | 5.8% | 36,496 | 6.0% | 37,562 | 0 | \$2.95 | 121,615 | 136,814 | 821 |
| Class C | 631,194 | 6.3% | 39,700 | 7.5% | 45,002 | 2,182 | \$2.33 | 28,833 | 44,958 | 37,723 |
| Mountain View/Los Altos | 5,232,684 | 4.5% | 235,623 | 4.6% | 210,868 | 27,945 | \$5.15 | 18,122 | 158,816 | 41,636 |
| Class A | 2,561,355 | 2.2% | 56,709 | 2.3% | 38,358 | 19,367 | \$5.72 | (24,093) | 134,621 | (22,756) |
| Class B | 2,456,465 | 6.8% | 167,019 | 6.9% | 160,615 | 8,578 | \$4.71 | 40,616 | 130,739 | 68,384 |
| Class C | 214,864 | 5.5% | 11,895 | 5.5% | 11,895 | 0 | \$3.40 | 1,599 | 14,427 | (3,992) |
| Palo Alto | 6,772,633 | 5.6% | 378,068 | 6.5% | 386,458 | 50,499 | \$6.30 | (5,604) | 206,650 | 101,880 |
| Class A | 2,966,975 | 8.6% | 254,209 | 8.6% | 208,681 | 46,457 | \$7.70 | (9,547) | 83,327 | (3,584) |
| Class B | 3,275,645 | 3.6% | 118,879 | 5.2% | 165,139 | 4,042 | \$5.50 | (6,117) | 107,251 | 70,669 |
| Class C | 530,013 | 0.9% | 4,980 | 2.4% | 12,638 | 0 | \$3.45 | 10,060 | 16,072 | 34,795 |
| Fremont | 2,117,505 | 16.0% | 338,696 | 16.6% | 342,058 | 9,424 | \$1.63 | (3,614) | 102,711 | 40,053 |
| Class A | 542,736 | 10.2% | 55,558 | 11.0% | 59,619 | 0 | \$2.00 | (3,434) | 0 | 35,553 |
| Class B | 983,621 | 23.0% | 226,265 | 23.9% | 225,566 | 9,424 | \$1.65 | (8,747) | 75,049 | (12,669) |
| Class C | 591,148 | 9.6% | 56,873 | 9.6% | 56,873 | 0 | \$1.25 | 8,567 | 27,662 | 17,169 |
| Silicon Valley Office Market | 60,648,118 | 11.2% | 6,813,235 | 13.0% | 7,362,195 | 552,018 | \$3.10 | 118,414 | 1,713,893 | 1,070,511 |
| Class A | 31,943,174 | 10.7% | 3,432,297 | 13.3% | 3,788,859 | 445,600 | \$3.62 | (42,004) | 426,081 | 905,526 |
| Class B | 18,486,216 | 12.8% | 2,363,836 | 14.2% | 2,548,295 | 75,639 | \$3.03 | 145,975 | 1,056,112 | (14,907) |
| Class C | 10,218,728 | 10.0% | 1,017,102 | 10.3% | 1,025,041 | 30,779 | \$1.62 | 14,443 | 231,700 | 179,892 |

¹ Metro is comprised of buildings within Downtown and outside of CBD

² San Jose - South is comprised of the Meridian, San Jose East and San Jose South submarkets

³ West Valley is comprised of the Los Gatos, Campbell, Saratoga and Winchester submarkets

*Direct Monthly Lease Rates, Full Service Gross



Chart #1: Lease Rates

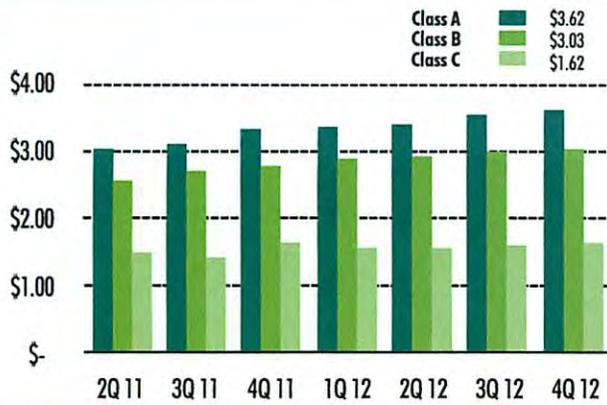


Chart #2: Net Absorption & Vacancy

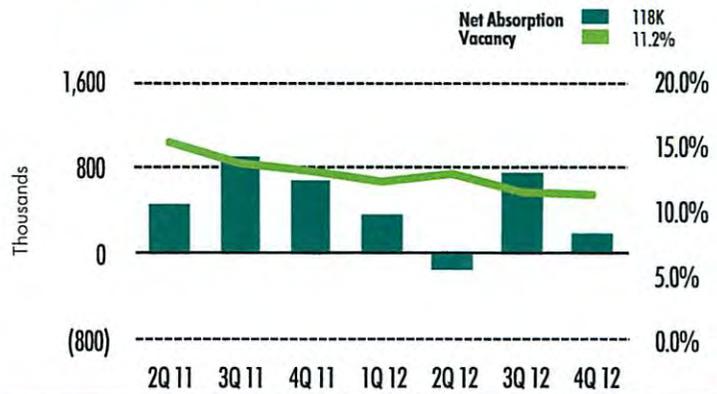


Table 1: Significant Lease Transactions of the Quarter

| Lessee | Address | Total SF | Class | Type |
|-------------------------------|-------------------------------------|----------|-------|-----------|
| Global Foundries U.S., Inc. | 2755 Great America Way, Santa Clara | 136,630 | A | New Lease |
| Apple | 410 N Mary Ave, Sunnyvale | 116,586 | B | New Lease |
| SurveyMonkey | 101 Lytton Ave, Palo Alto | 58,000 | A | New Lease |
| KNO, Inc. | 5155 Old Ironsides Dr, Santa Clara | 30,400 | B | New Lease |
| Entropic Communications, Inc. | 2560 N First St, San Jose | 29,179 | B | New Lease |
| Inphi Corporation | 2953 Bunker Hill Ln, Santa Clara | 28,957 | B | New Lease |
| Semtech Corporation | 2580 N First St, San Jose | 24,283 | B | Renewal |
| AppSense | 100 Mathilda Pl, Sunnyvale | 22,465 | A | New Lease |
| Malware Bytes | 10 Almaden Blvd, San Jose | 21,924 | A | New Lease |
| Palantir Technologies, Inc. | 181 Lytton Ave, Palo Alto | 15,724 | B | New Lease |

Table 2: Significant Sale Transactions of the Quarter

| Buyer | Address | Total SF | Class | Type |
|-----------------------|--------------------------------|----------|-------|---------------|
| Kilroy | 555 Mathilda Ave, Sunnyvale | 662,000 | A | Investor Sale |
| CBRE Global Investors | 50 W San Fernando St, San Jose | 325,984 | A | Investor Sale |
| Dinapoli | 160 W Santa Clara St, San Jose | 202,973 | A | Investor Sale |
| TMG | 2851 Junction Ave, San Jose | 152,432 | B | Investor Sale |

Table 3: Significant Construction

| Project | City | Total SF | % Pre-Committed |
|-------------------------|---------------|----------|-----------------|
| Santa Clara Gateway | Santa Clara | 879,000 | 66% |
| 3333 Scott Blvd | Santa Clara | 459,647 | 0% |
| Moffett Towers Phase II | Sunnyvale | 357,000 | 100% |
| 5403 Stevens Creek Blvd | Sunnyvale | 187,500 | 0% |
| 580 N Mary Ave | Sunnyvale | 125,000 | 0% |
| Oakmead Tower | Sunnyvale | 100,000 | 0% |
| 590 Middlefield Rd | Mountain View | 99,800 | 100% |

MarketView

Silicon Valley Office Report

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Fourth Quarter 2011

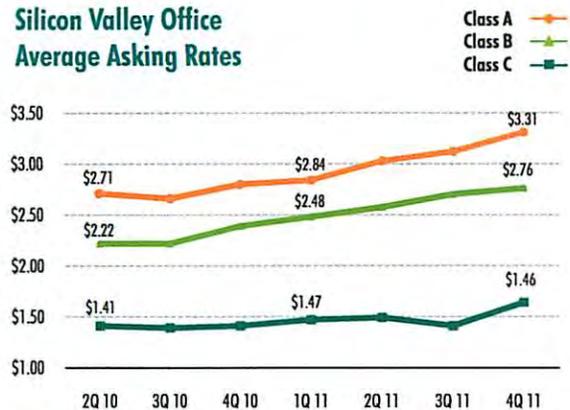
| Submarket | NRA | Total Vacancy % | Total Vacant SF | Total Availability % | Total Direct Available | Total Sublease Available | Average Asking Rate* | Q4 Net Absorption | Q4 Gross Absorption | YTD Net Absorption |
|-------------------------------------|-------------------|-----------------|------------------|----------------------|------------------------|--------------------------|----------------------|-------------------|---------------------|--------------------|
| San Jose - Downtown | 10,529,812 | 20.5% | 2,163,770 | 22.2% | 2,260,855 | 70,947 | \$1.52 | (1,174) | 163,899 | (84,686) |
| CBD¹ | 7,889,446 | 23.6% | 1,862,668 | 25.3% | 1,928,806 | 69,737 | \$2.12 | (15,940) | 125,464 | (111,692) |
| Class A | 4,329,877 | 22.1% | 957,840 | 22.9% | 969,907 | 20,527 | \$2.35 | 46,041 | 48,181 | (13,725) |
| Class B | 3,023,126 | 24.8% | 749,791 | 28.0% | 797,149 | 49,210 | \$1.89 | (25,078) | 63,856 | 2,016 |
| Class C | 536,443 | 28.9% | 155,037 | 30.2% | 161,750 | 0 | \$1.57 | (36,903) | 13,427 | (99,983) |
| San Jose - North | 8,931,884 | 15.2% | 1,358,553 | 18.8% | 1,463,503 | 227,731 | \$1.83 | 282,149 | 477,691 | 709,871 |
| Class A | 6,106,082 | 15.5% | 943,998 | 17.9% | 912,172 | 191,417 | \$1.98 | 232,422 | 375,379 | 759,709 |
| Class B | 1,895,488 | 16.5% | 313,544 | 25.3% | 444,066 | 36,314 | \$1.61 | 56,176 | 102,312 | (46,635) |
| Class C | 930,314 | 10.9% | 101,011 | 11.5% | 107,265 | 0 | \$1.30 | (6,449) | 0 | (3,203) |
| San Jose - South² | 1,956,153 | 12.2% | 239,261 | 12.4% | 240,888 | 2,200 | \$1.60 | 2,708 | 18,948 | (16,137) |
| Class A | 605,790 | 3.6% | 21,608 | 3.6% | 21,608 | 0 | \$1.91 | 0 | 0 | 5,550 |
| Class B | 632,548 | 15.2% | 96,042 | 15.5% | 96,042 | 2,200 | \$1.63 | 5,674 | 12,723 | (5,126) |
| Class C | 717,815 | 16.9% | 121,611 | 17.2% | 123,238 | 0 | \$1.32 | (2,966) | 6,225 | (16,561) |
| West Valley³ | 5,090,182 | 11.6% | 590,550 | 12.6% | 628,027 | 13,363 | \$1.96 | 70,766 | 240,842 | 153,941 |
| Class A | 1,803,573 | 16.6% | 298,968 | 18.3% | 323,878 | 6,417 | \$2.71 | (12,903) | 80,873 | 17,771 |
| Class B | 936,533 | 8.5% | 79,999 | 10.1% | 89,457 | 5,389 | \$1.92 | 41,209 | 77,416 | 51,558 |
| Class C | 2,350,076 | 9.0% | 211,583 | 9.2% | 214,692 | 1,557 | \$1.39 | 42,460 | 82,553 | 84,612 |
| IBP/Milpitas | 1,296,285 | 16.6% | 214,588 | 16.7% | 214,317 | 2,750 | \$1.29 | 20,456 | 29,108 | 5,385 |
| Class A | 319,655 | 38.7% | 123,743 | 39.5% | 123,472 | 2,750 | \$1.70 | 20,923 | 26,075 | 4,887 |
| Class B | 350,652 | 18.1% | 63,581 | 18.1% | 63,581 | 0 | \$1.29 | 3,033 | 3,033 | 8,273 |
| Class C | 625,978 | 4.4% | 27,264 | 4.4% | 27,264 | 0 | \$1.09 | (3,500) | 0 | (7,775) |
| Santa Clara | 8,480,687 | 14.7% | 1,247,509 | 15.5% | 969,213 | 346,230 | \$2.14 | 31,963 | 241,338 | 185,866 |
| Class A | 4,495,130 | 16.3% | 732,492 | 16.6% | 443,373 | 302,140 | \$2.50 | (38,853) | 82,099 | 121,847 |
| Class B | 2,112,137 | 12.8% | 271,301 | 14.6% | 298,614 | 10,282 | \$1.95 | 71,303 | 128,277 | 129,159 |
| Class C | 1,873,420 | 13.0% | 243,716 | 13.9% | 227,226 | 33,808 | \$1.50 | (487) | 30,962 | (75,140) |
| Cupertino | 3,935,488 | 1.8% | 70,907 | 2.4% | 75,160 | 21,187 | \$3.36 | 49,776 | 204,581 | 225,971 |
| Class A | 2,635,222 | 0.5% | 12,885 | 0.5% | 9,085 | 3,800 | \$3.67 | 14,251 | 42,750 | 94,354 |
| Class B | 1,278,678 | 4.4% | 56,803 | 6.4% | 64,856 | 17,387 | \$2.76 | 35,525 | 161,831 | 129,030 |
| Class C | 21,588 | 5.6% | 1,219 | 5.6% | 1,219 | 0 | \$1.94 | 0 | 0 | 2,587 |
| Sunnyvale | 5,810,730 | 14.4% | 837,654 | 16.1% | 849,269 | 87,540 | \$3.14 | 266,719 | 338,182 | 1,652,243 |
| Class A | 4,555,021 | 15.7% | 717,204 | 17.7% | 717,204 | 87,540 | \$3.37 | 265,031 | 266,551 | 1,549,713 |
| Class B | 624,515 | 6.2% | 38,837 | 6.5% | 40,288 | 0 | \$2.61 | (4,635) | 52,194 | 81,754 |
| Class C | 631,194 | 12.9% | 81,613 | 14.5% | 91,777 | 0 | \$2.01 | 6,323 | 19,437 | 20,776 |
| Mountain View/Los Altos | 5,162,797 | 5.4% | 278,478 | 7.1% | 347,785 | 17,297 | \$4.89 | (18,803) | 234,048 | 204,280 |
| Class A | 2,548,159 | 0.8% | 20,757 | 3.5% | 85,005 | 3,500 | \$5.51 | 12,540 | 134,621 | 152,671 |
| Class B | 2,434,774 | 10.3% | 249,818 | 11.0% | 254,877 | 13,797 | \$4.37 | (34,057) | 70,550 | 51,577 |
| Class C | 179,864 | 4.4% | 7,903 | 4.4% | 7,903 | 0 | \$3.11 | 2,714 | 14,427 | 32 |
| Palo Alto** | 6,741,833 | 6.7% | 449,448 | 7.3% | 408,577 | 85,167 | \$6.08 | (44,293) | 194,547 | 192,337 |
| Class A | 2,936,475 | 7.5% | 220,125 | 7.5% | 160,065 | 60,060 | \$7.70 | (24,965) | 50,586 | 21,966 |
| Class B | 3,275,345 | 5.8% | 189,548 | 6.5% | 189,016 | 25,107 | \$5.05 | (8,353) | 121,489 | 165,246 |
| Class C | 530,013 | 7.5% | 39,775 | 11.2% | 59,496 | 0 | \$3.45 | (10,975) | 22,472 | 5,125 |
| Fremont | 2,153,102 | 17.7% | 380,149 | 18.5% | 393,143 | 5,074 | \$1.62 | 21,833 | 76,171 | 13,087 |
| Class A | 542,736 | 16.8% | 91,111 | 17.7% | 92,899 | 3,391 | \$2.00 | 21,608 | 30,656 | 42,419 |
| Class B | 985,533 | 21.7% | 213,596 | 22.0% | 214,673 | 1,683 | \$1.65 | 1,947 | 40,661 | (36,251) |
| Class C | 624,833 | 12.1% | 75,442 | 13.7% | 85,571 | 0 | \$1.25 | (1,722) | 4,854 | 6,919 |
| Silicon Valley Office Market | 60,088,953 | 13.0% | 7,830,867 | 14.5% | 7,850,737 | 879,486 | \$2.83 | 682,100 | 2,219,355 | 3,242,158 |
| Class A | 31,288,152 | 13.3% | 4,151,137 | 14.6% | 3,889,074 | 681,542 | \$3.31 | 536,895 | 1,164,208 | 2,754,212 |
| Class B | 18,684,380 | 13.3% | 2,475,692 | 15.4% | 2,710,727 | 161,369 | \$2.76 | 173,757 | 870,456 | 592,334 |
| Class C | 10,116,421 | 11.9% | 1,204,038 | 12.8% | 1,250,936 | 36,575 | \$1.46 | (28,552) | 184,691 | (104,388) |

¹ CBD is comprised of buildings within the San Jose - Downtown submarket² San Jose - South is comprised of the Meridian, San Jose East and San Jose South submarkets³ West Valley is comprised of the Los Gatos, Campbell, Saratoga and Winchester submarkets

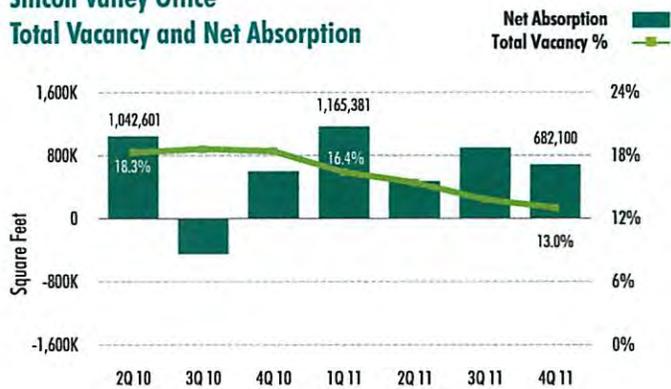
* Direct Monthly Lease Rates, Full Service Gross

** NRA base changes were made to more accurately reflect the market

Silicon Valley Office Average Asking Rates



Silicon Valley Office Total Vacancy and Net Absorption



Significant Lease Transactions of the Quarter

| Lessee | Address | Total SF | Class | Type |
|-------------------------------------|-------------------------------------|----------|-------|-----------|
| Synopsys, Inc. | 690 E Middlefield Rd, Mountain View | 340,000 | A | New Lease |
| Flextronics | 6201 America Center Dr, San Jose | 130,455 | A | New Lease |
| Magma Design | 1650 Technology Dr, San Jose | 109,453 | A | New Lease |
| Omniceil, Inc. | 590 Middlefield Rd, Mountain View | 99,800 | B | New Lease |
| Financial Engines, Inc. | 1040 Enterprise Way, Sunnyvale | 80,995 | A | New Lease |
| Motorola | 1000 Enterprise Way, Sunnyvale | 80,669 | A | Expansion |
| Confidential | 1160 Enterprise Way, Sunnyvale | 56,882 | A | Expansion |
| Paul Hastings Janofsky & Walker LLP | 1117 California Ave, Palo Alto | 43,000 | A | Renewal |
| Blakely, Sokoloff, Taylor & Zafman | 1279 Oakmead Pkwy, Sunnyvale | 41,114 | B | Renewal |
| SimonMed Imaging Professional Corp. | 14651 S Bascom Ave, Los Gatos | 37,000 | B | New Lease |

Significant Sale Transactions of the Quarter

| Buyer | Address | Total SF | Class | Type |
|--------------------------|---|----------|-------|----------|
| American Realty Advisors | 20300 & 20330 Stevens Creek Blvd, Cupertino | 300,285 | A | Investor |
| Confidential | 1861 Landings Dr, Mountain View | 272,594 | B | Investor |
| Boston Properties, Inc. | 2440 W El Camino Real, Mountain View | 133,500 | A | Investor |

Significant Construction

| Project | City | Total SF | % Pre-Committed |
|------------------------|---------------|----------|-----------------|
| Juniper | Sunnyvale | 636,000 | 100% |
| Great America & 237 | Santa Clara | 430,000 | 0% |
| Network Appliance | Sunnyvale | 175,000 | 100% |
| 2200 Lawson Ln, Bldg A | Santa Clara | 153,450 | 0% |
| 590 Middlefield Rd | Mountain View | 99,800 | 100% |
| 265 Lytton Ave | Palo Alto | 30,500 | 100% |
| 278 University Ave | Palo Alto | 23,752 | 0% |
| 317-323 University Ave | Palo Alto | 15,799 | 0% |



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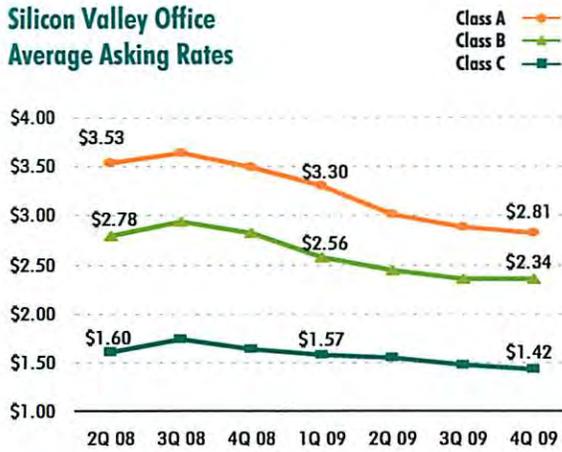
Fourth Quarter 2010

| Submarket | NRA | Total Vacancy % | Total Vacant SF | Total Availability % | Total Direct Available | Total Sublease Available | Average Asking Rate* | Q4 Net Absorption | Q4 Gross Absorption | YTD Net Absorption |
|-------------------------------------|-------------------|-----------------|-------------------|----------------------|------------------------|--------------------------|----------------------|-------------------|---------------------|--------------------|
| San Jose - Downtown | 10,556,812 | 20.5% | 2,165,028 | 23.1% | 2,337,837 | 105,362 | \$1.68 | 244,178 | 404,858 | 190,118 |
| CBD¹ | 7,916,446 | 23.2% | 1,836,920 | 26.3% | 1,975,751 | 103,950 | \$1.96 | 268,447 | 371,072 | 186,138 |
| Class A | 4,329,877 | 23.6% | 1,022,611 | 28.6% | 1,212,112 | 25,409 | \$2.37 | 232,293 | 299,331 | 139,952 |
| Class B | 3,038,126 | 25.0% | 759,255 | 25.9% | 708,585 | 78,541 | \$1.51 | 17,735 | 52,369 | 36,936 |
| Class C | 548,443 | 10.0% | 55,054 | 10.0% | 55,054 | 0 | \$1.16 | 18,419 | 19,372 | 9,250 |
| San Jose - North | 9,492,884 | 21.6% | 2,052,806 | 23.1% | 2,038,685 | 152,875 | \$1.75 | (90,215) | 143,339 | 463,900 |
| Class A | 6,667,082 | 25.3% | 1,688,089 | 27.2% | 1,668,586 | 145,169 | \$1.89 | (93,084) | 86,218 | 422,459 |
| Class B | 1,895,488 | 14.1% | 266,909 | 14.8% | 272,291 | 7,706 | \$1.53 | 9,155 | 53,238 | 37,232 |
| Class C | 930,314 | 10.5% | 97,808 | 10.5% | 97,808 | 0 | \$1.19 | (6,286) | 3,883 | 4,209 |
| San Jose - South² | 1,951,929 | 11.4% | 223,124 | 11.4% | 223,124 | 0 | \$1.38 | (5,181) | 28,238 | (30,242) |
| Class A | 605,790 | 4.5% | 27,158 | 4.5% | 27,158 | 0 | \$1.65 | (2,377) | 0 | (2,377) |
| Class B | 632,548 | 14.4% | 90,916 | 14.4% | 90,916 | 0 | \$1.39 | (7,815) | 13,822 | (27,754) |
| Class C | 713,591 | 14.7% | 105,050 | 14.7% | 105,050 | 0 | \$1.14 | 5,011 | 14,416 | (111) |
| West Valley³ | 5,090,182 | 15.1% | 769,814 | 16.2% | 789,399 | 36,672 | \$1.82 | 52,218 | 221,205 | 184,861 |
| Class A | 1,803,573 | 18.6% | 335,368 | 20.2% | 344,065 | 20,027 | \$2.51 | 36,052 | 79,463 | 141,325 |
| Class B | 906,533 | 15.3% | 138,251 | 15.3% | 127,278 | 11,656 | \$1.82 | 30,341 | 106,083 | 30,427 |
| Class C | 2,380,076 | 12.4% | 296,195 | 13.6% | 318,056 | 4,989 | \$1.29 | (14,175) | 35,659 | 13,109 |
| IBP/Milpitas | 1,296,285 | 17.0% | 219,973 | 19.4% | 237,046 | 14,314 | \$1.24 | 5,778 | 7,613 | (70,751) |
| Class A | 319,655 | 40.2% | 128,630 | 49.5% | 143,813 | 14,314 | \$1.60 | 6,608 | 4,894 | (38,133) |
| Class B | 350,652 | 20.5% | 71,854 | 20.5% | 71,854 | 0 | \$1.19 | 1,164 | 2,329 | (30,452) |
| Class C | 625,978 | 3.1% | 19,489 | 3.4% | 21,379 | 0 | \$1.09 | (1,994) | 390 | (2,166) |
| Santa Clara | 8,475,747 | 18.7% | 1,586,666 | 22.2% | 1,372,066 | 506,317 | \$1.79 | 116,951 | 329,481 | 43,233 |
| Class A | 4,495,130 | 20.7% | 930,798 | 26.5% | 717,469 | 472,580 | \$2.04 | 76,502 | 197,766 | (19,516) |
| Class B | 2,112,137 | 19.0% | 400,507 | 20.5% | 401,611 | 30,617 | \$1.65 | 51,157 | 105,061 | 96,986 |
| Class C | 1,868,480 | 13.7% | 255,361 | 13.7% | 252,986 | 3,120 | \$1.35 | (10,708) | 26,654 | (34,237) |
| Cupertino | 3,935,488 | 7.5% | 296,878 | 8.4% | 240,112 | 92,358 | \$2.89 | 160,938 | 322,532 | 135,064 |
| Class A | 2,635,222 | 4.1% | 107,239 | 5.2% | 57,234 | 79,458 | \$3.21 | 82,419 | 224,695 | 24,329 |
| Class B | 1,278,678 | 14.5% | 185,833 | 15.0% | 179,072 | 12,900 | \$2.25 | 79,738 | 97,837 | 114,541 |
| Class C | 21,588 | 17.6% | 3,806 | 17.6% | 3,806 | 0 | \$1.33 | (1,219) | 0 | (3,806) |
| Sunnyvale | 5,653,770 | 43.2% | 2,442,527 | 43.2% | 2,180,786 | 261,741 | \$2.51 | 227,637 | 454,198 | 271,519 |
| Class A | 4,398,061 | 50.5% | 2,219,547 | 50.5% | 1,957,806 | 261,741 | \$2.71 | 220,952 | 399,477 | 213,747 |
| Class B | 624,515 | 19.3% | 120,591 | 19.3% | 120,591 | 0 | \$2.00 | 22,436 | 34,625 | 55,909 |
| Class C | 631,194 | 16.2% | 102,389 | 16.2% | 102,389 | 0 | \$1.65 | (15,751) | 20,096 | 1,863 |
| Mountain View/Los Altos | 5,232,237 | 10.5% | 547,247 | 11.0% | 544,027 | 29,462 | \$3.24 | (130,717) | 81,425 | 39,993 |
| Class A | 2,678,681 | 7.4% | 199,475 | 8.4% | 201,534 | 22,149 | \$3.85 | (103,889) | 20,688 | 501 |
| Class B | 2,351,772 | 14.5% | 339,837 | 14.5% | 334,558 | 7,313 | \$2.65 | (25,085) | 60,737 | 23,840 |
| Class C | 201,784 | 3.9% | 7,935 | 3.9% | 7,935 | 0 | \$2.00 | (1,743) | 0 | 15,652 |
| Palo Alto | 9,493,140 | 9.9% | 935,395 | 13.3% | 974,353 | 291,972 | \$4.64 | 29,882 | 238,653 | 295,864 |
| Class A | 3,216,979 | 7.5% | 242,091 | 11.6% | 209,796 | 163,158 | \$6.00 | (6,141) | 119,114 | 203,341 |
| Class B | 5,629,664 | 11.5% | 646,354 | 15.0% | 718,617 | 127,804 | \$4.00 | 43,287 | 113,280 | 85,558 |
| Class C | 646,497 | 7.3% | 46,950 | 7.3% | 45,940 | 1,010 | \$3.40 | (7,264) | 6,259 | 6,965 |
| Fremont | 2,153,102 | 19.1% | 410,806 | 20.0% | 414,651 | 16,644 | \$1.68 | (15,299) | 56,200 | (29,622) |
| Class A | 542,736 | 26.7% | 145,013 | 27.5% | 134,269 | 14,961 | \$1.95 | 1,970 | 8,944 | 19,382 |
| Class B | 985,533 | 18.2% | 179,025 | 19.8% | 193,614 | 1,683 | \$1.65 | (2,414) | 27,075 | (28,311) |
| Class C | 624,833 | 13.9% | 86,768 | 13.9% | 86,768 | 0 | \$1.50 | (14,855) | 20,181 | (20,693) |
| Silicon Valley Office Market | 63,331,576 | 18.4% | 11,650,264 | 20.3% | 11,352,086 | 1,507,717 | \$2.44 | 596,170 | 2,287,742 | 1,493,937 |
| Class A | 32,103,218 | 22.0% | 7,053,475 | 24.7% | 6,701,298 | 1,218,966 | \$2.80 | 451,305 | 1,440,590 | 1,099,734 |
| Class B | 20,940,697 | 16.3% | 3,403,897 | 17.7% | 3,428,022 | 279,632 | \$2.39 | 209,069 | 677,931 | 404,311 |
| Class C | 10,287,661 | 11.6% | 1,192,892 | 12.0% | 1,222,766 | 9,119 | \$1.41 | (64,204) | 169,221 | (10,108) |

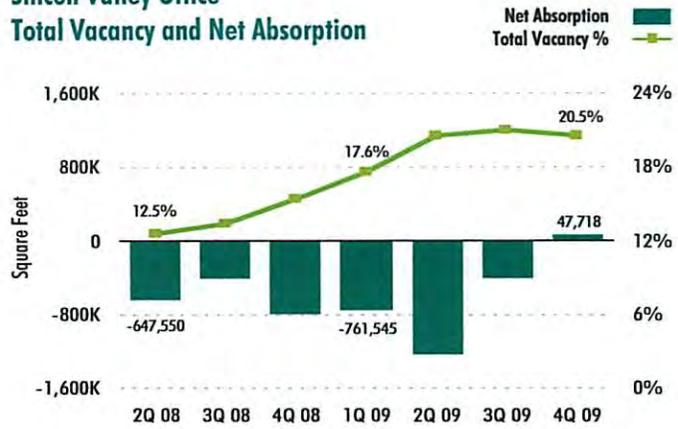
¹ CBD is comprised of buildings within the San Jose - Downtown submarket² San Jose - South is comprised of the Meridian, San Jose East and San Jose South submarkets³ West Valley is comprised of the Los Gatos, Campbell, Saratoga and Winchester submarkets

* Direct Monthly Lease Rates, Full Service Gross

Silicon Valley Office Average Asking Rates



Silicon Valley Office Total Vacancy and Net Absorption



Significant Lease Transactions of the Quarter

| Lessee | Address | Total SF | Class | Type |
|--------------------|---------------------------------|----------|-------|-----------|
| Juniper Networks | 1184 N Mathilda Ave, Sunnyvale | 424,740 | A | Renewal |
| Rambus | 1040 Enterprise Way, Sunnyvale | 125,000 | A | Direct |
| Cortina | 1376 Bordeaux Dr, Sunnyvale | 61,921 | A | Direct |
| Trend Micro, Inc. | 10101 N De Anza Blvd, Cupertino | 53,225 | A | Renewal |
| Namco | 1740 Technology Dr, San Jose | 30,652 | A | Expansion |
| Hensel Phelps | 1732 N First St, San Jose | 27,867 | A | Renewal |
| Gartner Technology | 1650 Technology Dr, San Jose | 23,722 | A | Sublease |
| Motorola | 809 11th Ave, Sunnyvale | 21,610 | A | Expansion |
| TrialPay | 303 Bryant St, Mountain View | 17,589 | A | Sublease |
| URS | 100 W San Fernando St, San Jose | 16,838 | A | Direct |

Significant Sale Transactions of the Quarter

| Buyer | Address | Total SF | Class | Type |
|-------------------------------------|---|----------|-------|----------|
| Lane Partners/Walton Street Capital | 20300-20330 Stevens Creek Blvd, Cupertino | 300,041 | A | Investor |

Significant Construction

| Project | City | Total SF | % Pre-Committed |
|--------------|-----------|----------------|-----------------|
| @First | San Jose | 561,000 | 100% |
| 657 Alma St. | Palo Alto | 15,861 | 0% |
| | | 576,861 | |



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| Submarket | NRA | Total Vacancy % | Total Vacant SF | Total Availability % | Total Direct Available | Total Sublease Available | Average Asking Rate* | Q4 Net Absorption | Q4 Gross Absorption | YTD Net Absorption |
|-------------------------------------|-------------------|-----------------|-------------------|----------------------|------------------------|--------------------------|----------------------|-------------------|---------------------|--------------------|
| San Jose - Downtown | 10,525,492 | 22.5% | 2,365,442 | 23.1% | 2,268,469 | 158,646 | \$1.96 | (93,198) | 134,528 | (381,848) |
| CBD¹ | 7,896,626 | 25.7% | 2,030,867 | 26.2% | 1,915,673 | 156,867 | \$2.12 | (78,873) | 117,471 | (323,894) |
| Class A | 4,597,842 | 26.6% | 1,222,246 | 26.6% | 1,188,262 | 33,984 | \$2.55 | (69,215) | 18,916 | (116,481) |
| Class B | 2,748,161 | 27.3% | 750,427 | 28.0% | 669,217 | 98,910 | \$1.60 | (9,358) | 98,555 | (189,203) |
| Class C | 550,623 | 10.6% | 58,194 | 14.9% | 58,194 | 23,973 | \$1.11 | (300) | 0 | (18,210) |
| San Jose - North | 9,297,459 | 23.6% | 2,190,705 | 26.8% | 2,290,662 | 199,530 | \$1.95 | (92,835) | 185,218 | (397,279) |
| Class A | 6,110,609 | 25.9% | 1,581,977 | 30.7% | 1,740,884 | 132,768 | \$2.19 | (27,998) | 112,935 | (257,479) |
| Class B | 2,153,536 | 20.6% | 442,771 | 20.9% | 383,821 | 66,762 | \$1.65 | (67,287) | 48,250 | (111,135) |
| Class C | 1,033,314 | 16.1% | 165,957 | 16.1% | 165,957 | 0 | \$1.15 | 2,450 | 24,033 | (28,665) |
| San Jose - South² | 1,972,617 | 10.3% | 202,554 | 10.3% | 200,362 | 2,192 | \$1.49 | (10,471) | 13,566 | (101,937) |
| Class A | 605,790 | 4.1% | 24,781 | 4.1% | 24,781 | 0 | \$1.80 | 0 | 0 | (9,801) |
| Class B | 632,548 | 10.3% | 65,354 | 10.3% | 63,162 | 2,192 | \$1.49 | 1,219 | 5,582 | (34,021) |
| Class C | 734,279 | 15.3% | 112,419 | 15.3% | 112,419 | 0 | \$1.23 | (11,690) | 7,984 | (58,115) |
| West Valley³ | 4,914,270 | 19.5% | 956,874 | 19.6% | 903,370 | 59,561 | \$1.79 | 40,288 | 176,667 | (130,275) |
| Class A | 1,643,573 | 29.1% | 478,892 | 29.2% | 454,032 | 26,412 | \$2.47 | 24,386 | 80,229 | (42,471) |
| Class B | 901,094 | 18.7% | 168,678 | 19.1% | 141,963 | 30,582 | \$1.79 | (8,099) | 27,963 | (68,798) |
| Class C | 2,369,603 | 13.1% | 309,304 | 13.1% | 307,375 | 2,567 | \$1.31 | 24,001 | 68,475 | (19,006) |
| IBP/Milpitas | 1,296,285 | 11.1% | 143,769 | 13.7% | 145,996 | 31,612 | \$1.33 | 10,469 | 21,297 | (65,600) |
| Class A | 319,655 | 25.7% | 82,207 | 25.7% | 53,432 | 28,775 | \$1.75 | 7,380 | 12,412 | (49,639) |
| Class B | 350,652 | 11.8% | 41,402 | 21.5% | 72,404 | 2,837 | \$1.25 | 2,060 | 4,660 | (6,741) |
| Class C | 625,978 | 3.2% | 20,160 | 3.2% | 20,160 | 0 | \$1.15 | 1,029 | 4,225 | (9,220) |
| Santa Clara | 8,958,651 | 21.2% | 1,895,327 | 23.0% | 1,501,630 | 557,160 | \$1.89 | (107,915) | 95,508 | (858,459) |
| Class A | 4,514,528 | 20.5% | 927,440 | 23.3% | 604,310 | 446,483 | \$2.20 | (97,098) | 35,824 | (502,684) |
| Class B | 2,510,643 | 29.7% | 744,817 | 31.3% | 689,557 | 95,370 | \$1.70 | 9,508 | 47,330 | (240,448) |
| Class C | 1,933,480 | 11.5% | 223,070 | 11.5% | 207,763 | 15,307 | \$1.43 | (20,325) | 12,354 | (115,327) |
| Cupertino | 3,793,967 | 13.7% | 519,680 | 13.7% | 440,691 | 79,989 | \$2.77 | 51,303 | 87,397 | (71,482) |
| Class A | 2,598,856 | 9.5% | 246,555 | 9.5% | 189,539 | 57,016 | \$2.97 | 55,624 | 55,991 | (16,485) |
| Class B | 1,173,523 | 23.3% | 273,125 | 23.4% | 251,152 | 22,973 | \$2.35 | (4,421) | 27,763 | (54,997) |
| Class C | 21,588 | 0.0% | 0 | 0.0% | 0 | 0 | \$1.33 | 100 | 3,643 | 0 |
| Sunnyvale | 5,252,367 | 48.9% | 2,567,742 | 49.1% | 2,233,895 | 344,749 | \$2.36 | 241,092 | 693,270 | 149,922 |
| Class A | 3,949,809 | 57.9% | 2,286,990 | 57.9% | 1,949,439 | 337,551 | \$2.55 | 244,823 | 669,564 | 210,701 |
| Class B | 671,364 | 26.3% | 176,500 | 27.7% | 178,608 | 7,198 | \$1.93 | 0 | 11,750 | (36,804) |
| Class C | 631,194 | 16.5% | 104,252 | 16.8% | 105,848 | 0 | \$1.65 | (3,731) | 11,956 | (23,975) |
| Mountain View/Los Altos | 5,151,664 | 12.9% | 665,382 | 13.0% | 516,093 | 155,515 | \$2.68 | (77,303) | 127,333 | (327,906) |
| Class A | 2,568,108 | 10.4% | 267,976 | 10.7% | 153,274 | 120,928 | \$3.01 | (54,583) | 61,458 | (136,357) |
| Class B | 2,381,772 | 15.7% | 373,819 | 15.7% | 342,972 | 30,847 | \$2.43 | (36,296) | 51,699 | (179,440) |
| Class C | 201,784 | 11.7% | 23,587 | 11.7% | 19,847 | 3,740 | \$1.32 | 13,576 | 14,176 | (12,109) |
| Palo Alto | 9,654,486 | 10.6% | 1,020,240 | 12.2% | 525,668 | 652,368 | \$4.45 | 78,866 | 181,625 | (119,886) |
| Class A | 3,585,569 | 13.2% | 473,293 | 17.1% | 212,533 | 401,586 | \$5.55 | 63,160 | 81,888 | 111,406 |
| Class B | 5,422,420 | 9.1% | 493,032 | 9.4% | 258,585 | 250,782 | \$3.85 | 10,681 | 80,170 | (211,402) |
| Class C | 646,497 | 8.3% | 53,915 | 8.4% | 54,550 | 0 | \$3.35 | 5,025 | 19,567 | (19,890) |
| Fremont | 2,153,102 | 18.0% | 388,004 | 18.0% | 375,060 | 13,264 | \$1.85 | 7,422 | 56,126 | (61,850) |
| Class A | 542,736 | 30.3% | 164,395 | 30.3% | 162,462 | 1,933 | \$2.25 | (10,997) | 5,345 | (33,464) |
| Class B | 985,533 | 16.0% | 157,534 | 16.0% | 149,571 | 7,963 | \$1.85 | (9,425) | 18,413 | (23,255) |
| Class C | 624,833 | 10.6% | 66,075 | 10.6% | 63,027 | 3,368 | \$1.50 | 27,844 | 32,368 | (5,131) |
| Silicon Valley Office Market | 62,970,360 | 20.5% | 12,915,719 | 21.7% | 11,401,896 | 2,254,586 | \$2.42 | 47,718 | 1,772,535 | (2,366,600) |
| Class A | 31,447,507 | 24.7% | 7,758,932 | 26.5% | 6,755,128 | 1,587,436 | \$2.81 | 134,955 | 1,134,562 | (844,934) |
| Class B | 21,066,297 | 18.5% | 3,903,910 | 19.1% | 3,415,684 | 618,195 | \$2.34 | (119,088) | 433,881 | (1,190,992) |
| Class C | 10,456,556 | 12.0% | 1,252,877 | 12.2% | 1,231,084 | 48,955 | \$1.42 | 31,851 | 204,092 | (330,674) |

¹ CBD is comprised of buildings within the San Jose - Downtown submarket

² San Jose - South is comprised of the Meridian, San Jose East and San Jose South submarkets

³ West Valley is comprised of the Los Gatos, Campbell, Saratoga and Winchester submarkets

* Direct Monthly Lease Rates, Full Service Gross

Silicon Valley Office Report

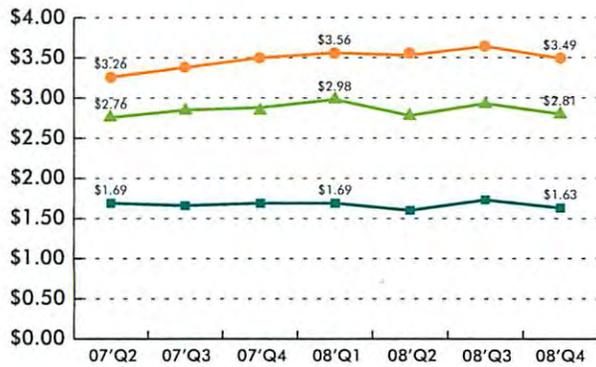
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Fourth Quarter 2008

| Submarket | NRA | Total Vacancy Rate | Total Vacant SF | Total Availability Rate | Total Direct Available | Total Sublease Available | Average Asking Rate | Q4 Net Absorption | 4Q Gross Absorption | Y-T-D Net Absorption |
|---|-------------------|--------------------------|-----------------------|-------------------------------|------------------------------|--------------------------------|---------------------------|----------------------|------------------------|-------------------------|
| San Jose - Central | 10,014,460 | 16.8% | 1,685,462 | 17.3% | 1,679,594 | 54,054 | \$2.37 | (54,813) | 116,261 | (429,452) |
| CBD | 7,628,197 | 18.3% | 1,393,385 | 18.8% | 1,382,327 | 54,054 | \$2.43 | (59,594) | 68,272 | (415,017) |
| Class A | 4,455,309 | 18.0% | 801,633 | 18.1% | 800,280 | 7,119 | \$2.83 | (30,858) | 34,467 | (345,322) |
| Class B | 2,709,238 | 20.8% | 563,768 | 22.2% | 554,063 | 46,935 | \$1.97 | (28,240) | 33,805 | (47,903) |
| Class C | 463,650 | 6.0% | 27,984 | 6.0% | 27,984 | 0 | \$1.32 | (496) | 0 | (21,792) |
| San Jose - North | 8,819,359 | 16.2% | 1,428,942 | 16.5% | 1,255,158 | 200,791 | \$2.36 | (287,858) | 180,994 | (493,833) |
| Class A | 5,593,951 | 15.8% | 883,828 | 16.3% | 770,512 | 140,323 | \$2.67 | (300,771) | 95,834 | (451,680) |
| Class B | 2,053,972 | 17.7% | 363,161 | 17.7% | 313,657 | 49,504 | \$2.07 | 42,372 | 79,575 | 37,256 |
| Class C | 1,171,436 | 15.5% | 181,953 | 15.5% | 170,989 | 10,964 | \$1.40 | (29,459) | 5,585 | (79,409) |
| San Jose - South | 2,171,910 | 4.4% | 96,271 | 5.4% | 117,212 | 0 | \$1.77 | 31,600 | 44,994 | 65,582 |
| Class A | 605,790 | 2.5% | 14,980 | 2.5% | 14,980 | 0 | \$2.31 | 0 | 0 | 0 |
| Class B | 689,548 | 3.4% | 23,222 | 3.9% | 26,831 | 0 | \$1.79 | 37,534 | 39,963 | 80,324 |
| Class C | 876,572 | 6.6% | 58,069 | 8.6% | 75,401 | 0 | \$1.39 | (5,934) | 5,031 | (14,742) |
| West Valley | 4,828,580 | 17.3% | 833,009 | 18.3% | 813,854 | 71,923 | \$2.14 | (69,544) | 112,789 | (235,909) |
| Class A | 1,555,653 | 25.1% | 391,147 | 26.7% | 386,698 | 28,324 | \$2.99 | (68,580) | 51,676 | (169,907) |
| Class B | 863,483 | 15.8% | 136,430 | 16.5% | 103,096 | 39,141 | \$2.22 | (17,046) | 18,325 | (19,075) |
| Class C | 2,409,444 | 12.7% | 305,432 | 13.6% | 324,060 | 4,458 | \$1.56 | 16,082 | 42,788 | (46,927) |
| IBP/Milpitas | 1,180,573 | 6.2% | 73,669 | 7.5% | 84,233 | 4,145 | \$1.58 | (31,833) | 21,868 | (10,070) |
| Class A | 319,655 | 13.8% | 44,177 | 13.8% | 44,177 | 0 | \$2.08 | (28,787) | 21,368 | (45,244) |
| Class B | 339,456 | 5.9% | 19,952 | 10.2% | 31,824 | 2,837 | \$1.60 | 0 | 500 | 22,970 |
| Class C | 521,462 | 1.8% | 9,540 | 1.8% | 8,232 | 1,308 | \$1.27 | (3,046) | 0 | 12,204 |
| Santa Clara | 8,624,166 | 13.1% | 1,130,490 | 14.0% | 1,077,867 | 128,700 | \$2.45 | (95,669) | 244,591 | (367,554) |
| Class A | 4,195,310 | 10.5% | 439,325 | 11.5% | 421,545 | 59,423 | \$2.95 | (23,164) | 173,393 | (114,907) |
| Class B | 2,555,643 | 22.5% | 576,102 | 23.7% | 555,640 | 50,371 | \$2.25 | (85,108) | 46,080 | (241,098) |
| Class C | 1,873,213 | 6.1% | 115,063 | 6.4% | 100,682 | 18,906 | \$1.61 | 12,603 | 25,118 | (11,549) |
| Cupertino | 3,805,203 | 9.8% | 372,078 | 9.9% | 273,222 | 103,303 | \$3.25 | 18,107 | 81,922 | (186,995) |
| Class A | 2,518,227 | 5.8% | 145,858 | 5.8% | 62,298 | 83,560 | \$3.57 | 44,872 | 62,170 | (1,241) |
| Class B | 1,246,575 | 18.0% | 224,488 | 18.4% | 209,192 | 19,743 | \$2.65 | (25,033) | 17,991 | (186,253) |
| Class C | 40,401 | 4.3% | 1,732 | 4.3% | 1,732 | 0 | \$1.78 | (1,732) | 1,761 | 499 |
| Sunnyvale | 4,598,806 | 44.3% | 2,034,989 | 44.3% | 1,696,839 | 338,150 | \$3.07 | (31,393) | 48,001 | 149,450 |
| Class A | 3,238,486 | 55.7% | 1,804,490 | 55.7% | 1,467,749 | 336,741 | \$3.47 | (39,454) | 5,726 | 22,513 |
| Class B | 686,406 | 20.9% | 143,132 | 20.9% | 143,132 | 0 | \$2.49 | 15,414 | 32,465 | 108,571 |
| Class C | 673,914 | 13.0% | 87,367 | 13.0% | 85,958 | 1,409 | \$1.71 | (7,353) | 9,810 | 18,366 |
| Mountain View/Los Altos | 5,111,475 | 7.5% | 382,957 | 7.6% | 344,531 | 41,396 | \$3.50 | (24,694) | 97,513 | 2,061 |
| Class A | 2,511,858 | 4.6% | 115,051 | 4.6% | 99,741 | 15,310 | \$4.02 | (26,116) | 5,320 | 15,215 |
| Class B | 2,430,833 | 10.5% | 256,428 | 10.7% | 233,312 | 26,086 | \$3.06 | 1,322 | 90,588 | (24,634) |
| Class C | 168,784 | 6.8% | 11,478 | 6.8% | 11,478 | 0 | \$1.99 | 100 | 1,605 | 11,480 |
| Palo Alto | 8,391,754 | 9.4% | 790,913 | 11.3% | 503,030 | 449,020 | \$5.60 | (237,192) | 142,426 | (365,637) |
| Class A | 3,734,789 | 13.3% | 495,547 | 13.8% | 191,293 | 322,835 | \$6.50 | (249,587) | 82,021 | (284,682) |
| Class B | 4,088,771 | 6.4% | 262,856 | 9.5% | 263,667 | 126,185 | \$4.95 | 1,195 | 44,690 | (55,625) |
| Class C | 568,194 | 5.7% | 32,510 | 8.5% | 48,070 | 0 | \$4.29 | 11,200 | 15,715 | (25,330) |
| Fremont | 2,153,102 | 15.4% | 330,532 | 17.4% | 344,171 | 30,877 | \$1.90 | (21,740) | 14,884 | (62,980) |
| Class A | 542,736 | 24.6% | 133,378 | 25.5% | 125,788 | 12,681 | \$2.25 | (13,915) | 7,364 | (12,303) |
| Class B | 985,533 | 13.8% | 136,210 | 14.4% | 129,127 | 12,642 | \$1.95 | 814 | 6,220 | (29,794) |
| Class C | 624,833 | 9.8% | 60,944 | 15.2% | 89,256 | 5,554 | \$1.50 | (8,639) | 1,300 | (20,883) |
| Silicon Valley Office Market | 59,699,388 | 15.3% | 9,159,312 | 16.1% | 8,189,711 | 1,422,359 | \$2.94 | (805,029) | 1,106,243 | (1,935,337) |
| Class A | 29,456,804 | 17.9% | 5,269,414 | 18.3% | 4,385,061 | 1,006,316 | \$3.49 | (736,360) | 539,339 | (1,387,558) |
| Class B | 19,773,409 | 14.6% | 2,890,908 | 15.8% | 2,748,700 | 373,444 | \$2.81 | (45,910) | 443,679 | (347,455) |
| Class C | 10,469,175 | 9.5% | 998,990 | 10.5% | 1,055,950 | 42,599 | \$1.63 | (22,759) | 123,225 | (200,324) |

Silicon Valley Average Asking Rates

Class A
Class B
Class C



Silicon Valley Vacancy and Net Absorption

Net Absorption
Historical Vacancy



Significant Lease Transactions of the Quarter

| Lessee | Address | Square Feet | Class | Type |
|---------------------------------|--------------------------------------|-------------|-------|-------------------|
| Citrix | 4555 Great America Pkwy, Santa Clara | 51,593 | A | Sublease |
| Morgan Lewis | 3000 El Camino Real, Palo Alto | 67,715 | A | Renewal/Expansion |
| Aeris Communications | 2033 Gateway Pl, San Jose | 23,233 | A | Direct |
| Osram Opto Semiconductors | 1150 Kifer Rd, Sunnyvale | 22,698 | B | Direct |
| Alfa Tech Consulting | 97 E Brokaw Rd, San Jose | 19,722 | B | Renewal |
| Palo Alto Medical Foundation | 2350 W El Camino Real, Mountain View | 18,295 | B | Direct |
| Global Knowledge | 5201 Great America Pkwy, Santa Clara | 15,838 | A | Renewal |
| Bank of America | 560 S Winchester Blvd, San Jose | 13,533 | A | Renewal |
| Johanson & Yau Accountancy Corp | 160 W Santa Clara St, San Jose | 10,774 | A | Renewal |
| Numonyx, Inc. | 2550 N First St, San Jose | 10,450 | B | Direct |

Significant Construction

| Project | City | Total SF | %Pre-Committed |
|----------------------------------|-----------|-----------|----------------|
| Moffett Tower | Sunnyvale | 676,513 | 0 |
| The Office at Downtown Sunnyvale | Sunnyvale | 336,699 | 0 |
| 300 Park Ave, RiverPark Tower II | San Jose | 319,000 | 0 |
| University Plaza | Palo Alto | 183,178 | 0 |
| 10900 N Tantau | Cupertino | 102,540 | 0 |
| 300 Santana Row | San Jose | 65,000 | 0 |
| 325 Lytton Ave. | Palo Alto | 32,575 | 0 |
| | | 1,715,505 | |

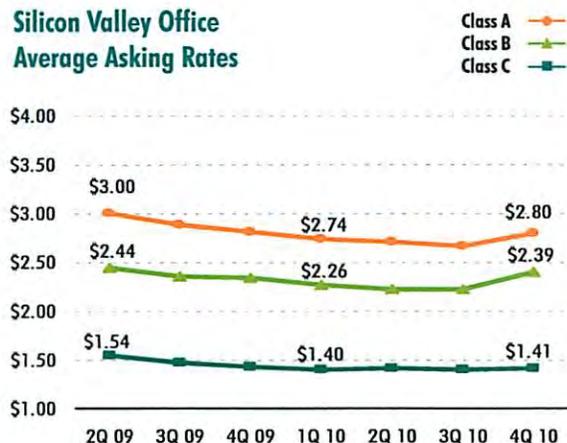
Silicon Valley Market

OFFICE REPORT

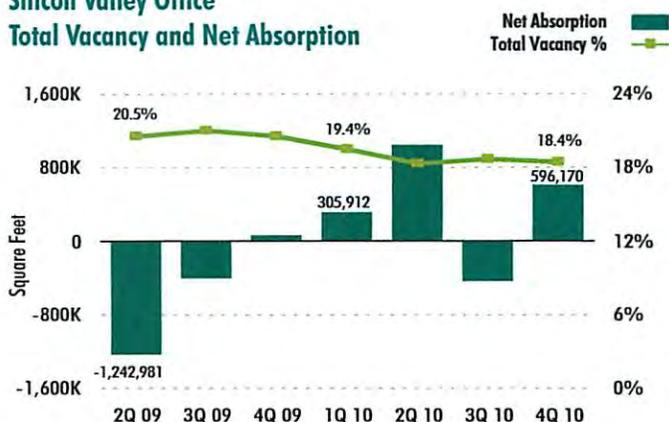
FOURTH QUARTER 2007

| Submarkets | NRA | Total Vacancy Rate | Total Availability Rate | Total Direct Available | Total Sublease Available | Average Asking Rates | Q4 Net Absorption | Q4 Gross Absorption | Y-T-D Net Absorption | Under Construction |
|---|-------------------|--------------------------|-------------------------------|------------------------------|--------------------------------|----------------------------|-------------------------|---------------------------|----------------------------|-----------------------|
| San Jose - Central | 10,031,411 | 13.0% | 13.7% | 1,296,699 | 79,178 | \$2.24 | (51,836) | 211,048 | 562,245 | 319,000 |
| CBD | 7,653,232 | 13.6% | 14.4% | 1,026,795 | 73,272 | \$2.51 | (6,373) | 112,107 | 562,078 | 319,000 |
| Class A | 4,480,344 | 10.3% | 10.5% | 431,475 | 38,321 | \$2.93 | (22,266) | 53,999 | 476,263 | 319,000 |
| Class B | 2,709,238 | 19.9% | 21.1% | 543,804 | 28,441 | \$2.01 | 33,833 | 56,258 | 110,745 | 0 |
| Class C | 463,650 | 8.6% | 12.5% | 51,516 | 6,510 | \$1.32 | (17,940) | 1,850 | (24,930) | 0 |
| San Jose - North | 8,661,912 | 11.1% | 14.6% | 1,064,454 | 196,912 | \$2.59 | (147,561) | 142,192 | (162,171) | 0 |
| Class A | 5,589,765 | 7.7% | 12.3% | 544,426 | 141,160 | \$2.97 | (115,279) | 49,035 | (95,141) | 0 |
| Class B | 1,900,711 | 21.7% | 23.0% | 392,546 | 43,785 | \$2.18 | (46,742) | 69,699 | (89,889) | 0 |
| Class C | 1,171,436 | 9.7% | 11.9% | 127,482 | 11,967 | \$1.47 | 14,460 | 23,458 | 22,859 | 0 |
| San Jose - South | 2,175,737 | 8.7% | 9.3% | 176,057 | 25,312 | \$1.91 | (77,662) | 46,924 | (144,324) | 0 |
| Class A | 605,790 | 2.5% | 2.5% | 14,980 | 0 | \$2.53 | 0 | 0 | (11,416) | 0 |
| Class B | 693,375 | 17.1% | 17.7% | 98,481 | 23,946 | \$1.92 | (65,929) | 36,463 | (107,598) | 0 |
| Class C | 876,572 | 6.4% | 7.3% | 62,596 | 1,366 | \$1.47 | (11,733) | 10,461 | (21,986) | 0 |
| West Valley | 4,796,863 | 12.4% | 13.0% | 541,316 | 79,950 | \$2.38 | (74,426) | 179,872 | (110,089) | 0 |
| Class A | 1,540,554 | 14.6% | 15.6% | 203,834 | 36,112 | \$3.15 | (46,123) | 68,369 | (46,225) | 0 |
| Class B | 848,590 | 13.1% | 13.5% | 106,078 | 8,348 | \$2.31 | 4,627 | 74,977 | 3,480 | 0 |
| Class C | 2,407,719 | 10.7% | 11.1% | 231,404 | 35,490 | \$1.67 | (32,930) | 36,526 | (67,344) | 0 |
| IBP/Milpitas | 1,193,036 | 8.0% | 9.3% | 105,000 | 6,486 | \$1.66 | 26,197 | 45,202 | 32,426 | 0 |
| Class A | 356,618 | 7.7% | 9.2% | 27,663 | 5,178 | \$2.19 | (13,759) | 3,534 | (7,778) | 0 |
| Class B | 332,756 | 10.9% | 15.7% | 52,222 | 0 | \$1.68 | 40,227 | 26,414 | 24,966 | 0 |
| Class C | 503,662 | 5.2% | 5.2% | 25,115 | 1,308 | \$1.27 | (271) | 15,254 | 15,238 | 0 |
| Santa Clara | 8,811,504 | 10.4% | 11.9% | 815,255 | 231,076 | \$2.59 | 48,607 | 153,886 | (5,095) | 0 |
| Class A | 4,532,738 | 9.5% | 10.1% | 293,765 | 166,238 | \$3.21 | 918 | 50,854 | (15,827) | 0 |
| Class B | 2,329,119 | 14.9% | 17.0% | 382,819 | 60,551 | \$2.23 | 60,042 | 72,307 | (12,447) | 0 |
| Class C | 1,949,647 | 7.0% | 7.3% | 138,671 | 4,287 | \$1.56 | (12,353) | 30,725 | 23,179 | 0 |
| Cupertino | 3,745,533 | 3.2% | 3.4% | 41,516 | 84,947 | \$3.12 | (45,019) | 57,143 | (14,397) | 59,670 |
| Class A | 2,458,557 | 3.5% | 3.5% | 1,050 | 84,947 | \$3.41 | (60,200) | 15,432 | (37,551) | 59,670 |
| Class B | 1,246,575 | 2.6% | 3.1% | 38,235 | 0 | \$2.58 | 14,472 | 34,686 | 19,346 | 0 |
| Class C | 40,401 | 5.5% | 5.5% | 2,231 | 0 | \$1.78 | 709 | 7,025 | 3,808 | 0 |
| Sunnyvale | 3,085,684 | 16.9% | 17.7% | 239,838 | 305,061 | \$2.67 | (39,334) | 60,025 | (17,513) | 1,190,442 |
| Class A | 2,078,532 | 19.0% | 19.0% | 89,796 | 305,061 | \$3.05 | (23,093) | 0 | (33,827) | 1,190,442 |
| Class B | 289,797 | 6.9% | 7.4% | 21,348 | 0 | \$2.20 | 3,653 | 9,894 | 16,491 | 0 |
| Class C | 717,355 | 14.7% | 17.9% | 128,694 | 0 | \$1.77 | (19,894) | 50,131 | (177) | 0 |
| Mountain View/Los Altos | 5,094,209 | 7.3% | 7.8% | 347,614 | 44,882 | \$3.45 | (28,771) | 106,534 | 104,823 | 0 |
| Class A | 2,511,858 | 5.2% | 5.4% | 106,289 | 28,747 | \$3.92 | (4,883) | 36,939 | 58,124 | 0 |
| Class B | 2,413,567 | 9.0% | 9.8% | 217,095 | 16,135 | \$3.06 | (27,742) | 65,141 | 51,060 | 0 |
| Class C | 168,784 | 13.6% | 14.4% | 24,230 | 0 | \$2.09 | 3,854 | 4,454 | (4,361) | 0 |
| Palo Alto | 8,121,196 | 4.1% | 5.3% | 351,985 | 78,910 | \$5.57 | (57,330) | 345,224 | 670,027 | 153,917 |
| Class A | 3,431,981 | 4.0% | 4.7% | 88,125 | 72,008 | \$6.50 | (56,089) | 76,955 | 527,141 | 109,075 |
| Class B | 4,121,021 | 4.6% | 6.2% | 249,819 | 6,552 | \$5.00 | (12,735) | 256,775 | 127,456 | 44,842 |
| Class C | 568,194 | 1.3% | 2.5% | 14,041 | 350 | \$4.02 | 11,494 | 11,494 | 15,430 | 0 |
| Fremont | 2,428,815 | 10.7% | 13.0% | 236,851 | 77,976 | \$2.24 | (11,616) | 30,472 | (71,474) | 0 |
| Class A | 521,645 | 19.2% | 19.2% | 85,926 | 14,149 | \$2.46 | 21,934 | 21,934 | (7,003) | 0 |
| Class B | 1,053,533 | 10.3% | 15.2% | 103,530 | 57,109 | \$2.07 | (3,876) | 7,301 | (22,871) | 0 |
| Class C | 853,637 | 6.2% | 6.3% | 47,395 | 6,718 | \$1.76 | (29,674) | 1,237 | (41,600) | 0 |
| Silicon Valley Office Market | 58,145,900 | 9.7% | 11.1% | 5,216,585 | 1,210,690 | \$2.96 | (458,751) | 1,311,553 | 844,458 | 1,723,029 |
| Class A | 28,293,422 | 8.6% | 9.8% | 1,887,329 | 891,921 | \$3.50 | (337,579) | 378,801 | 825,349 | 1,678,187 |
| Class B | 19,048,910 | 12.2% | 13.9% | 2,399,014 | 250,773 | \$2.88 | (29,692) | 729,947 | 81,725 | 44,842 |
| Class C | 10,803,568 | 8.3% | 9.2% | 930,242 | 67,996 | \$1.69 | (91,480) | 202,805 | (62,616) | 0 |

Silicon Valley Office Average Asking Rates



Silicon Valley Office Total Vacancy and Net Absorption



Significant Lease Transactions of the Quarter

| Lessee | Address | Total SF | Class | Type |
|---|--------------------------------------|----------|-------|-------------------|
| Broadcom | 100, 150, 190 Mathilda Pl, Sunnyvale | 257,184 | A | Renewal/Expansion |
| Price Waterhouse Coopers | 488 Almaden Blvd, San Jose | 209,151 | A | Direct |
| LAB 126 | 10201 Torre Ave, Cupertino | 88,580 | B | Direct |
| Apple | 20300 Stevens Creek Blvd, Cupertino | 79,432 | A | Direct |
| Tellabs Operations, Inc. | 4555 Great America Pkwy, Santa Clara | 74,453 | A | Expansion |
| Arista Networks | 5450 Great America Pkwy, Santa Clara | 66,137 | A | Sublease |
| Sonic Solutions | 455 El Camino Real, Santa Clara | 45,550 | A | Renewal |
| Plaxo Inc. | 1050 Enterprise Wy, Sunnyvale | 40,448 | A | Direct |
| SuVolta, Inc. | 130 Knowles Blvd, Los Gatos | 33,720 | B | Direct |
| Sheppard, Mullin, Richter & Hampton LLP | 379 Lytton Ave, Palo Alto | 29,705 | A | Direct |

Significant Sale Transactions of the Quarter

| Buyer | Address | Total SF | Class | Type |
|--------------------|-------------------------------------|-----------|-------|----------|
| Apple | HP Cupertino | 1,453,828 | N/A | User |
| Seagate Technology | 10200 South De Anza Blvd, Cupertino | 142,276 | A | User |
| Seagate Properties | 2465 Latham St, Mountain View | 43,377 | A | Investor |

Significant Construction

| Project | City | Total SF | % Pre-Committed |
|------------------------|-----------|----------|-----------------|
| Network Appliance Inc. | Sunnyvale | 175,000 | 100% |
| 245 Lytton Ave | Palo Alto | 30,500 | 0% |



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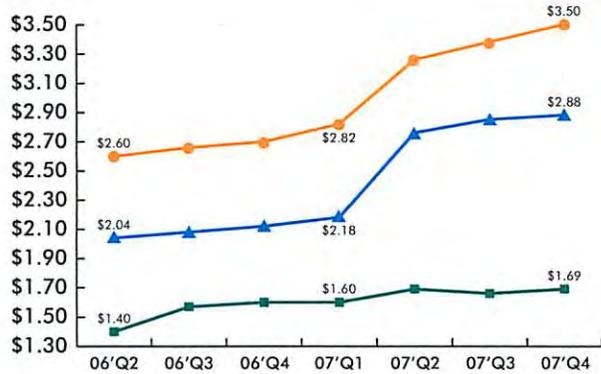
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Page 2

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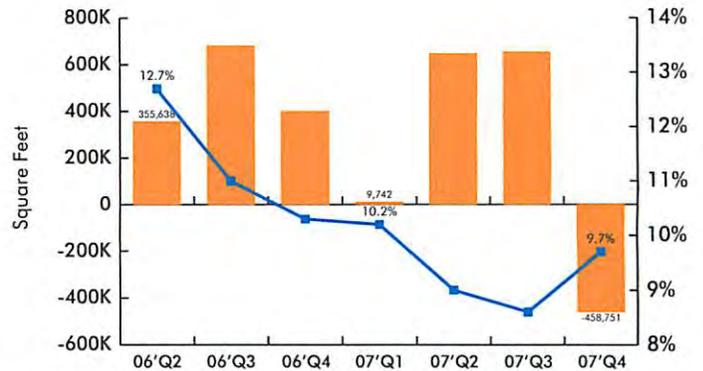
**SILICON VALLEY
OFFICE PROPERTY LEASE RATES**

Class A —●—
Class B —▲—
Class C —■—



**SILICON VALLEY
VACANCY AND NET ABSORPTION**

Net Absorption —■—
Historical Vacancy —▲—



Significant Transactions of the Quarter

Sale Transactions

| Address | City | Buyer | Total SF |
|----------------------|---------------|----------------------|----------|
| 150 Almaden Blvd | San Jose | BPG Properties, Ltd. | 652,872 |
| 100 Mathilda Place | Sunnyvale | JP Morgan | 468,710 |
| 1801 Page Mill Rd. | Palo Alto | Lionstone | 199,100 |
| 20 S Santa Cruz | Los Gatos | D&K Holdings, LLC | 43,367 |
| 399 W El Camino Real | Mountain View | The Swig Company | 24,865 |

Lease Transactions

| Address | City | Lessee | Total SF |
|--------------------------|------------|-----------------------|----------|
| 2450 Watson Ct. | Palo Alto | Stanford University | 70,000 |
| 910 E Hamilton Avenue | Campbell | Move, Inc. | 29,767 |
| 2560 N First Street | San Jose | MCI Communications | 29,179 |
| 160 W Santa Clara Street | San Jose | CUIAB | 23,804 |
| 1150 Kifer Rd. | Sunnyvale | Motorola, Inc. | 23,284 |
| 160 Scott Drive | Menlo Park | Latham Watkins | 21,360 |
| 75 E Santa Clara Street | San Jose | Global Netoptex, Inc. | 20,401 |
| 60 S. Market | San Jose | Burr, Pilger, Mayer | 17,108 |

Significant Construction

| Address | City | Total SF |
|---------------------------------------|-----------|----------|
| Moffett Tower | Sunnyvale | 900,600 |
| 339 W. San Carlos, RiverPark Tower II | San Jose | 319,000 |
| 525 Almanor | Sunnyvale | 166,000 |
| 1376-1380 Bordeaux Dr. | Sunnyvale | 123,842 |
| 2450 Watson Ct | Palo Alto | 77,956 |
| 10495 N. De Anza Blvd. | Cupertino | 59,670 |
| 250-260 Homer Ave | Palo Alto | 34,342 |
| 325 Lytton | Palo Alto | 31,119 |

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SILICON VALLEY SUBMARKET MAP



MARKET AREA DESCRIPTIONS

- Campbell consists of 1.9 million square feet (3.3%) of the office market NRA.
- Cupertino consists of 3.7 million square feet (6.4%) of the office market NRA.
- Central San Jose consists of 10.0 million square feet (17.3%) of the office market NRA.
- E. San Jose consists of 0.1 million square feet (0.2%) of the office market NRA.
- I.B.P consists of 0.2 million square feet (0.3%) of the office market NRA.
- Los Altos consists of 0.8 million square feet (1.5%) of the office market NRA.
- Los Gatos consists of 1.1 million square feet (1.8%) of the office market NRA.
- Meridian consists of 1.0 million square feet (1.7%) of the office market NRA.
- Milpitas consists of 1.0 million square feet (1.7%) of the office market NRA.
- Mountain View consists of 4.3 million square feet (7.3%) of the office market NRA.
- N. San Jose consists of 8.7 million square feet (14.9%) of the office market NRA.
- Palo Alto consists of 8.1 million square feet (14.0%) of the office market NRA.
- S. San Jose consists of 1.1 million square feet (1.9%) of the office market NRA.
- Santa Clara consists of 8.8 million square feet (15.2%) of the office market NRA.
- Saratoga* consists of 0.2 million square feet (0.4%) of the office market NRA.
- Sunnyvale consists of 3.1 million square feet (5.3%) of the office market NRA.
- Winchester* consists of 1.6 million square feet (2.7%) of the office market NRA.
- Fremont consists of 2.4 million square feet (4.2%) of the office market NRA.

LOCAL OFFICES

| | | | |
|---|---|--|---|
| SAN FRANCISCO PENINSULA 950 Tower Lane Suite 870 Foster City, CA 94404 1.650.577.2900 | OAKLAND 555 12th Street Suite 900 Oakland, CA 94610 1.510.874.1900 | PLEASANTON 5000 Hopyard Road Suite 180 Pleasanton, CA 94588 1.925.251.4600 | SAN FRANCISCO DOWNTOWN 101 California Street 4th Floor San Francisco, CA 94111 1.415.772.0123 |
| SILICON VALLEY 225 W. Santa Clara Street Suite 1050 San Jose, CA 95113 1.408.453.7400 | PALO ALTO Two Palo Alto Square 3000 El Camino Real Suite 100 Palo Alto, CA 94306 1.650.494.5100 | WALNUT CREEK 2175 N. California Blvd. Suite 300 Walnut Creek, CA 94596 1.925.296.7700 | |



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AVAILABLE SQUARE FEET

Vacant Square Feet plus space that is marketed as available but not currently vacant, plus sublease space.

AVAILABILITY RATE

Available Square Feet divided by the NRA.

AVERAGE ASKING DIRECT LEASE RATE

The rate determined by multiplying the asking full service lease rate for each building in the summary by its associated NRA, summing the products, then dividing by the sum of the NRA. Rates are reported on a monthly basis.

FULL SERVICE LEASES

Includes all lease types whereby the Landlord assumes responsibility for all of the operating expenses and taxes for the property, including utilities, insurance and/or maintenance expenses.

MARKET COVERAGE

Includes office buildings 10,000 square feet and larger located within defined submarkets. It excludes medical office buildings and government owned office buildings.

NET ABSORPTION

The change in Occupied Square Feet from one period to the next.

NET RENTABLE AREA (NRA)

The gross building square footage minus the elevator core, flues, pipe shafts, vertical ducts, balconies and stairwell areas.

OCCUPIED SQUARE FEET

NRA not considered vacant.

UNDER CONSTRUCTION

Buildings which have begun construction as evidenced by foundation work.

VACANCY RATE

Vacant Square Feet divided by the NRA.

VACANT SQUARE FEET

Available NRA which is either physically vacant or immediately available. Includes sublease space.

QUICK STATS

| | Current | Change from last Yr. | Qtr. |
|--------------------------|---------|----------------------|------|
| Vacancy | 9.7% | ↓ | ↑ |
| Lease Rates | \$2.96 | ↑ | ↑ |
| Net Absorption* | -458.8K | ↓ | ↓ |
| Construction Completions | 164K | ↔ | ↑ |

* The Quick Stats arrows are trend indicators over the specified time period and do not represent a positive or negative value. E.g. absorption could be negative, but still represent a positive trend over a specific period.

HOT TOPICS

- Availability increased by 110 basis points to 11.1%
- Negative net absorption for the first time in seven quarters
- > 840,000 square feet of positive net absorption in 2007
- Available sublease space increased 2.2% to 18.9%
- Thirteenth consecutive quarter of asking rate increases

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MarketView
Silicon Valley Office

FOURTH QUARTER 2007

The Silicon Valley Office market ended 2007 with the first signs of a slowdown in overall activity. After bucking the national trend for most of 2007, the Silicon Valley witnessed reduced levels of sale and lease activity during the fourth quarter. Uncertain economic conditions have resulted in reduced levels of investor confidence. Future government assistance programs in the sub-prime credit markets may improve confidence in the near future but concerns remain over the length of the expected economic slowdown.

After seven consecutive quarters of positive net absorption, the market experienced its first decline with 458,751 square feet of negative absorption, reducing YTD positive absorption to 844,458 square feet. The market continues to report tight levels of vacancy and available space after increasing 110 basis points each to 9.7% and 11.1% in the fourth quarter, but declining 60 bps and 20 bps overall this year. After a record year of job growth and business expansion, at year end many corporations opted to stay in their current positions, leading to reduced overall activity.

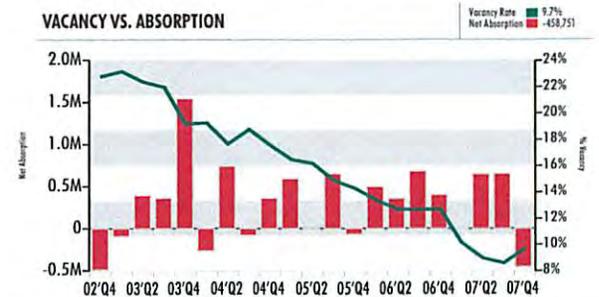
The North San Jose market was the most stagnant, with negative net absorption of 147,561 square feet. Vacancy and availability rose 230 and 460 basis points, respectively. West Valley and South San

Jose were the other primary contributors to negative absorption levels with a combined 152,088 square feet of negative absorption. Major leasing deals of the quarter included Stanford University leasing 70,000 square feet in Palo Alto, Move, Inc. occupying 29,767 square feet in Campbell, and MCI Communications taking 29,179 square feet in San Jose. The most noteworthy sale transactions in the market included BPG Properties 652,872 square foot purchase of Park Center Plaza in downtown San Jose, JP Morgan's 468,710 square foot purchase of 100 Mathilda in Sunnyvale, and Lionstone's 199,100 square foot purchase at 1801 Page Mill Road in Palo Alto.

Overall 2007 was a very strong year with Class A space contributing 825,349 square feet of positive net absorption and single digit vacancy and availability levels. However, reduced levels of corporate growth and increased available space produced slightly negative results to close the year.

Overall 2007 was a very strong year with Class A space contributing 825,349 square feet of positive net absorption and single digit vacancy and availability levels. However, reduced levels of corporate growth and increased available space produced slightly negative results to close the year. After successfully weathering a hazy national economic landscape with twelve consecutive positive quarters of growth, we are beginning to see a modest retraction. Market asking rates have increased 26% in 2007 and are expected to continue to grow, albeit at a more stable pace. As evidence of strong demand for Class A space, construction activity is pushing forward while infusing the market with desirable space.

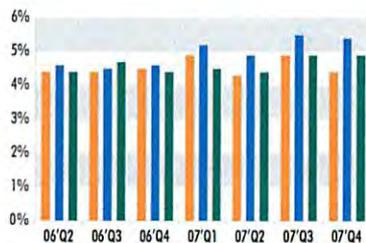
VACANCY VS. ABSORPTION



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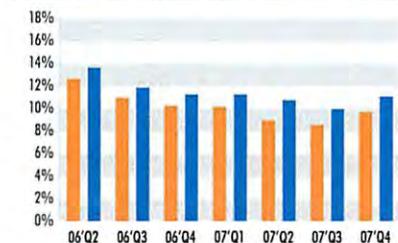
| SUBMARKET | NET RENTABLE AREA | TOTAL VACANCY RATE | TOTAL AVAILABILITY RATE | AVG. ASKING RATE | | Q4 NET ABSORPTION | YTD NET ABSORPTION |
|-------------------------------------|-------------------|--------------------|-------------------------|------------------|---------------|-------------------|--------------------|
| | | | | CLASS A | CLASS B | | |
| Central San Jose | 10,031,411 | 13.0% | 13.7% | \$2.71 | \$2.01 | (51,836) | 562,245 |
| North San Jose | 8,661,912 | 11.1% | 14.8% | \$2.97 | \$2.18 | (147,561) | (162,171) |
| South San Jose | 2,175,737 | 8.7% | 9.3% | \$2.53 | \$1.92 | (77,662) | (144,324) |
| West Valley | 4,796,863 | 12.4% | 13.0% | \$3.15 | \$2.31 | (74,426) | (110,089) |
| San Jose IBP / Milpitas | 1,193,036 | 8.0% | 9.3% | \$2.19 | \$1.68 | 26,197 | 32,426 |
| Santa Clara | 8,811,504 | 10.4% | 11.9% | \$3.21 | \$2.23 | 48,607 | (5,095) |
| Cupertino | 3,745,533 | 3.2% | 3.4% | \$3.41 | \$2.58 | (45,019) | (14,397) |
| Sunnyvale | 3,085,684 | 16.9% | 17.7% | \$3.05 | \$2.20 | (39,334) | (17,513) |
| Mt. View / Los Altos | 5,094,209 | 7.3% | 7.8% | \$3.92 | \$3.06 | (28,771) | 104,823 |
| Palo Alto | 8,121,196 | 4.1% | 5.3% | \$6.50 | \$5.00 | (57,330) | 670,027 |
| Fremont | 2,428,815 | 10.7% | 13.0% | \$2.46 | \$2.07 | (11,616) | (71,474) |
| SILICON VALLEY OFFICE MARKET | 58,145,900 | 9.7% | 11.1% | \$3.50 | \$2.88 | (458,751) | 844,458 |

UNEMPLOYMENT RATES



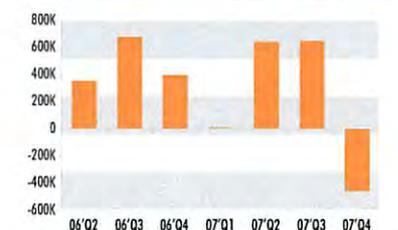
National real GDP increased at an annual rate of 4.9% in the third quarter according to the Bureau of Economic Analysis. The acceleration of GDP in the third quarter reflected positively in exports, these were offset by a negative contribution from residential fixed investment. Imports, which are a subtraction in the calculation of GDP, increased in the third quarter. Silicon Valley venture capital investment remained stable throughout the third quarter closing with 287 deals valued at over \$2.48 billion. Silicon Valley accounted for 35% of venture capital investment nationwide. The total number of jobs in the South Bay grew by 6,900 to bring the unemployment rate to 4.9%. The California unemployment rate decreased 10 basis points to 5.4% with non-farm payrolls increasing by 7,300. The national unemployment rate decreased 50 basis points to 4.4%.

VACANCY/AVAILABILITY



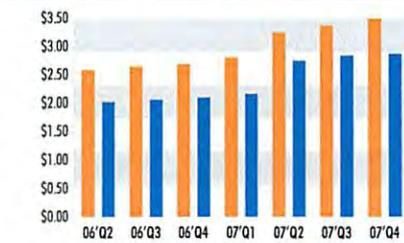
Office vacancy increased 110 basis points to 9.7% in the fourth quarter, while availability increased 110 basis points to 11.1%. Vacancy and availability rates have fallen significantly in 2007 by 60 and 20 basis points, respectively. Santa Clara experienced the strongest declines with a 60 basis point decrease in availability to 11.9% and vacancy falling 50 basis points to 10.4%. Due to new space at the Guadalupe Corporate Center, availability rose in the North San Jose submarket by 460 basis points to 14.6%, with vacancy rising 230 basis points to 11.1%. South San Jose vacancy increased 350 basis points after a large number of spaces came onto the market. Overall, Class A vacancy and availability increased to 8.6% from 6.9% and 9.8% from 7.8%. Class B vacancy increased only slightly to 12.2%, as Class C raised 80 basis points to 8.3%. Available sublease space increased 2.2% to over 1.2 million square feet, accounting for 18.8% of all available space.

NET ABSORPTION



The Silicon Valley office market experienced negative net absorption of 458,751 square feet for the first time since the end of 2005. Yet despite this downturn, 2007 was a thriving year with 844,458 square feet of net absorption. Upbeat activity is primarily attributed to the Santa Clara and IBP/Milpitas submarkets that posted 48,607 and 26,197 square feet of net absorption, respectively. North and South San Jose witnessed a combined 225,223 square feet of negative net absorption. Sunnyvale also saw a large decline with negative 39,334 square feet, followed by the West Valley with 74,426 square feet of negative net absorption. All other major submarkets posted minimal negative absorption. Class A space accounted for the majority of negative net absorption with (337,579) square feet, with Class B exhibiting less activity by posting (29,692) square feet. Although high-end space remains the most enticing, affordability has become increasingly important as the economic conditions remain uncertain. Continued increases in asking rates are pushing cost conscious companies into lower-end space.

LEASE RATES



Lease rates in the Silicon Valley office market increased for the thirteenth consecutive quarter, with overall average asking lease rates increasing to \$2.96 and reaching their highest point since early 2001. Representing the summit of the market, Palo Alto jumped 8.8% to \$5.57 full service. Sunnyvale also witnessed strong increases, particularly in the Class A sector, increasing 4% to \$3.05. Overall Class A asking rates increased by 3.6% to \$3.50. Other notable activity came from the Central Business District, where Class A rates increased \$.06 to \$2.93. Other submarkets remained stable with rates compressed.

CONSTRUCTION ACTIVITY

The Moffett Towers office park in Sunnyvale is under construction and will offer three buildings totaling 900,600 square feet of office space. The estimated completion date is early 2008, with Phase II beginning shortly. RiverPark Tower II has begun construction and will offer 319,000 square feet of Class A space downtown. A large project at 525 Almonor in Sunnyvale will offer 166,000 square feet. Bordeaux Center is now under construction and will offer 123,842 square feet in Sunnyvale. In addition, 10495 N. De Anza Blvd. in Cupertino is under construction and will offer 59,670 square feet of space. Palo Alto has three projects underway, including a 77,956 square foot development at 2450 Watson Avenue, and two other locations with approximately 35,000 square feet of net rentable area.

MARKET OUTLOOK

As the year comes to a close, the Silicon Valley has begun to see reduced demand for high-end space. Competitive asking rates are expected to continue in 2008, but at more stable levels as significant Class A construction projects (such as the multi-tenant Moffett Towers) become available.

Concerns over the residential market have ultimately affected confidence and sentiment in the commercial arena, but the Silicon Valley continues to separate itself from the rest of the nation and post actual rental growth. However, it is expected that commercial lenders will become even more selective in seeking prospective borrowers and properties in 2008. Despite being a dynamic destination for venture capital investment, corporate expansion, and continued job growth, it is expected that 2008 will present additional challenges in the Silicon Valley commercial market.

SILICON VALLEY SUBMARKET MAP



MARKET AREA DESCRIPTIONS

- Campbell* consists of 1.8 million square feet (3.5%) of the office market NRA.
- Cupertino consists of 2.6 million square feet (4.8%) of the office market NRA.
- Central San Jose consists of 9.9 million square feet (18.7%) of the office market NRA.
- E. San Jose consists of 0.0 million square feet (0.0%) of the office market NRA.
- I.B.P consists of 1.1 million square feet (2.0%) of the office market NRA.
- Los Altos consists of 0.7 million square feet (1.4%) of the office market NRA.
- Los Gatos* consists of 0.8 million square feet (1.5%) of the office market NRA.
- Meridian consists of 0.9 million square feet (1.7%) of the office market NRA.
- Milpitas consists of 0.9 million square feet (1.7%) of the office market NRA.
- Mountain View consists of 4.0 million square feet (7.6%) of the office market NRA.
- N. San Jose consists of 8.5 million square feet (16.0%) of the office market NRA.
- Palo Alto consists of 7.0 million square feet (13.3%) of the office market NRA.
- S. San Jose consists of 0.8 million square feet (1.5%) of the office market NRA.
- Santa Clara consists of 8.0 million square feet (15.0%) of the office market NRA.
- Saratoga* consists of 0.2 million square feet (0.4%) of the office market NRA.
- Sunnyvale consists of 2.9 million square feet (5.5%) of the office market NRA.
- Winchester* consists of 1.6 million square feet (3.0%) of the office market NRA.
- Fremont consists of 2.2 million square feet (4.1%) of the office market NRA.

LOCAL OFFICES

| | | | |
|---|---|---|--|
| SAN FRANCISCO PENINSULA 950 Tower Lane Suite 870 Foster City, CA 94404 1.650.577.2900 | OAKLAND 555 12th Street Suite 900 Oakland, CA 94610 1.510.874.1900 | PLEASANTON 5000 Hopyard Road Suite 180 Pleasanton, CA 94588 1.925.251.4600 | SAN FRANCISCO DOWNTOWN 101 California Street 44th Floor San Francisco, CA 94111 1.415.772.0123 |
| SILICON VALLEY 225 W. Santa Clara Street Suite 1050 San Jose, CA 95113 1.408.453.7400 | PALO ALTO Two Palo Alto Square 3000 El Camino Real Suite 100 Palo Alto, CA 94306 1.650.494.5100 | | |



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AVAILABLE SQUARE FEET

Vacant Square Feet plus space that is marketed as available but not currently vacant, plus sublease space.

AVAILABILITY RATE

Available Square Feet divided by the NRA.

AVERAGE ASKING DIRECT LEASE RATE

The rate determined by multiplying the asking full service lease rate for each building in the summary by its associated NRA, summing the products, then dividing by the sum of the NRA. Rates are reported on a monthly basis.

FULL SERVICE LEASES

Includes all lease types whereby the Landlord assumes responsibility for all of the operating expenses and taxes for the property, including utilities, insurance and/or maintenance expenses.

MARKET COVERAGE

Includes office buildings 10,000 square feet and larger located within defined submarkets. It excludes medical office buildings and government owned office buildings.

NET ABSORPTION

The change in Occupied Square Feet from one period to the next.

NET RENTABLE AREA (NRA)

The gross building square footage minus the elevator core, flues, pipe shafts, vertical ducts, balconies and stairwell areas.

OCCUPIED SQUARE FEET

NRA not considered vacant.

UNDER CONSTRUCTION

Buildings which have begun construction as evidenced by site excavation or foundation work.

VACANCY RATE

Vacant Square Feet divided by the NRA.

VACANT SQUARE FEET

Available NRA which is either physically vacant or immediately available. Includes sublease space.

QUICK STATS

| | Current | Change from last Yr. | Qtr. |
|--------------------------|---------|----------------------|------|
| Vacancy | 10.3% | ↓ | ↓ |
| Lease Rates | \$2.35 | ↑ | ↑ |
| Net Absorption* | 398.7K | ↑ | ↓ |
| Construction Completions | 0 | ↔ | ↔ |

* The Quick Stats arrows are trend indicators over the specified time period and do not represent a positive or negative value. If an absorption could be negative, but still represent a positive trend over a specific period.

HOT TOPICS

- Nearly two million square feet of positive absorption in 2006
- Lease rates at highest level in more than four years
- Lowest vacancy rate in 5 1/2 years
- Ninth consecutive quarter of declining vacancy
- North San Jose closed the year with significant absorption

www.cbre.com



MarketView Silicon Valley Office

FOURTH QUARTER 2006

The Silicon Valley Office market ended 2006 with positive absorption, strong and steady lease rates and its ninth consecutive quarter of lower vacancy – the lowest in 5 1/2 years. The market experienced positive absorption throughout 2006, ending the year with over 1.9 million square feet in occupancy gains. Healthy levels of absorption pushed vacancy down 400 basis points this year to end at 10.3%. Market rates have remained competitive and are now at the highest level they have been in over four years, with continued spikes anticipated in 2007.

The Silicon Valley office market ended 2006 with positive absorption, strong and steady lease rates and its ninth consecutive quarter of lower vacancy – the lowest in 5 1/2 years.

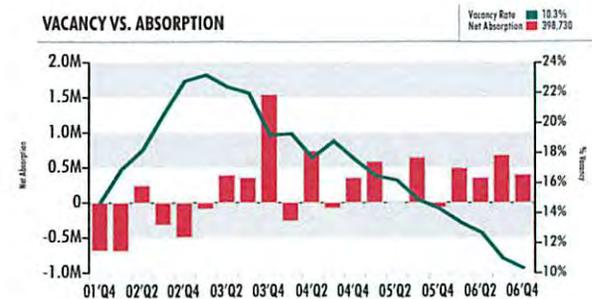
The North San Jose market was especially active this quarter with 473,939 square feet of positive absorption. CBRE was involved in the submarket's three largest leasing transactions this quarter. These transactions included the Micron Technology deal of 264,964 square feet, Sony occupying 155,917, and Magma leasing

109,722, all occurring in North San Jose.

Improving market conditions fueled by high levels of investment activity and continued job growth saw the Silicon Valley Office market improve dramatically through 2006. Strong investment sales continued, with the most significant deals of the quarter being Pallock Financial's 127,757 square foot purchase of 1230-1290 Oakmead Parkway and Behringer Harvard's 95,562 square foot acquisition of 4440 El Camino Real.

The Silicon Valley office market remains a primary target for investment and lease activity, with a record flow of capital coming from institutional investors. With falling vacancy rates and rental rate increases, the office sector is demonstrating strong fundamentals that should continue through 2007.

VACANCY VS. ABSORPTION

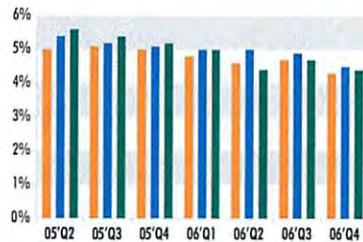


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| SUBMARKET | NET RENTABLE AREA | TOTAL VACANCY RATE | TOTAL AVAILABILITY RATE | AVG. ASKING RATE | | Q 4 NET ABSORPTION | YTD NET ABSORPTION |
|--------------------------------------|-------------------|--------------------|-------------------------|------------------|---------------|--------------------|--------------------|
| | | | | CLASS A | CLASS B | | |
| Central San Jose | 9,954,795 | 18.6% | 19.9% | \$2.53 | \$1.93 | (47,013) | 141,936 |
| North San Jose | 9,204,895 | 8.6% | 9.4% | \$2.17 | \$1.73 | 473,939 | 645,967 |
| South San Jose | 2,145,381 | 2.3% | 2.3% | \$2.07 | \$1.65 | (10,737) | 58,698 |
| West Valley | 4,810,066 | 10.1% | 12.4% | \$2.89 | \$2.15 | 805 | (29,131) |
| San Jose IBP / Milpitas | 1,180,217 | 11.3% | 11.9% | \$1.93 | \$1.49 | (23,038) | (49,499) |
| Santa Clara | 8,305,882 | 11.1% | 11.8% | \$2.45 | \$1.83 | 36,060 | 286,520 |
| Cupertino | 3,714,972 | 3.5% | 3.8% | \$2.93 | \$2.23 | 30,167 | 306,770 |
| Sunnyvale | 3,085,684 | 13.5% | 18.0% | \$2.55 | \$1.92 | (45,579) | 150,571 |
| Mt. View / Los Altos | 5,103,209 | 9.5% | 10.2% | \$3.39 | \$2.57 | (47,080) | 319,324 |
| Palo Alto | 7,057,648 | 5.8% | 6.1% | \$4.75 | \$4.25 | 47,992 | 181,756 |
| Fremont | 2,425,741 | 8.8% | 9.3% | \$2.42 | \$2.04 | (16,786) | (82,333) |
| SILICON VALLEY OFFICE MARKET* | 56,988,490 | 10.3% | 11.3% | \$2.70 | \$2.12 | 398,730 | 1,930,579 |

* NRA changes were made this quarter to more accurately reflect the competitive leasing market in Silicon Valley.

UNEMPLOYMENT RATES



Source: ED0

The economy grew at an annual rate of 2.0% in the third quarter, a 20 basis points decrease from the preliminary estimates and 60 basis points less than in the second quarter. The deceleration in third-quarter GDP growth primarily reflected an acceleration in imports and a larger decrease in residential fixed investment and government spending. However, corporate venture capital investment is reported to be stable, hitting the six billion dollar mark for the third consecutive quarter. Biotech and life sciences sectors remain as the focus, with telecommunications, energy, and industrial sectors on the rise. In the third quarter, Silicon Valley led the rest of the nation with 34.9% of total year to date venture capital funding, a slight decrease of 1% from the same period in 2005. The labor force in Santa Clara County increased by 8,900 from September to November, and approximately 9,000 jobs were added in Santa Clara County in the same period, helping to drop the unemployment rate to 4.4%. The unemployment for California slid to 4.5% in November and the national unemployment rate down to 4.3% during the same period.

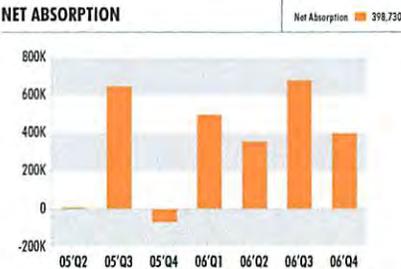
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VACANCY/AVAILABILITY



Office vacancy dropped 70 basis points to 10.3% in the fourth quarter, while availability declined 60 basis points this quarter to 11.3%. Vacancy fell 400 basis points in 2006, with availability rates down 360 basis points during the same period. Of the major submarkets in the Class A sector, North San Jose and Cupertino experienced the largest declines of the quarter. North San Jose Class A vacancy dropped a remarkable 780 basis points to 5.6%. Cupertino experienced a 160 basis point drop in Class A vacancy to one of the market's lowest levels at 3.0%. Overall, Class B vacancy increased by 80 basis points in the fourth quarter to 12.4%, but was down 270 basis points over the year. Available sublease space is now at 1,316,543 square feet, accounting for 25.6% of all available space.

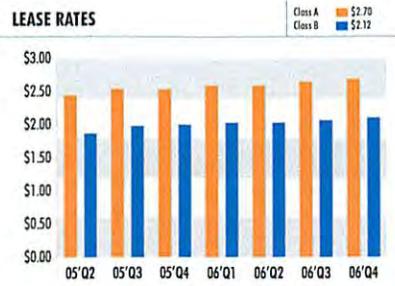
NET ABSORPTION



The Silicon Valley office market experienced an exceptional year, with net absorption of 1,930,579 square feet in 2006, the highest level in three years. Led by the Class A sector, the market experienced fourth quarter net absorption of 398,730 square feet. North San Jose alone accounted for 473,939 square feet in positive absorption. Santa Clara witnessed 36,060 square feet of positive absorption. This was the fourth consecutive quarter of positive absorption, indicating a thriving market economy.

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LEASE RATES



Lease rates in the Silicon Valley office market increased for the ninth straight quarter, with overall average asking lease rates now at \$2.35. Lease rates are currently at their highest point in four years. In the fourth quarter Sunnyvale experienced an increase of \$0.10 in Class A rates and Cupertino rose \$0.07 in Class A, while other submarkets remained steady. Aside from Palo Alto, the Mountain View/Los Altos submarket posted the highest overall lease rate in Silicon Valley at \$3.04. Silicon Valley Class A lease rates have increased 5.8% for the year to \$2.70 per square foot. Class B rates are up \$0.11 to \$2.12 and Class C rates experienced a \$0.19 increase in 2006 to \$1.60.

CONSTRUCTION ACTIVITY

The Moffett Towers office park in Sunnyvale is under construction and will offer three buildings totaling 900,600 square feet of office space. The estimated completion date is October, 2007. A project at 200 North Almaden in San Jose is under construction and will offer 15,986 square feet of space. Palo Alto has two projects underway, a 65,000 square foot project at 2300 East Bayshore and a 34,474 square foot project at 250-260 Homer Avenue.

MARKET OUTLOOK

The office sector in Silicon Valley is currently one of the best performing segments of all real estate investments, with continued job and economic growth in the Valley expected to continue to drive down vacancy rates further in 2007. The combination of expansion among existing firms combined with new start-up ventures has resulted in job growth and increased demand for office space. Increases in institutional capital investment have led to rising levels of absorption and higher asking rates. Expect 2007 to foster continued rising costs of construction and increases in sales activity, with historically low vacancy levels and balanced escalations in rent.

Appendix C:
CBRE R&D Market Reports: 4Q2006-1Q2015

Silicon Valley R&D, Q4 2014

Lease rates rise against dwindling supply

Vacancy Rate
9.1%

Lease Rate
\$1.81 PSF

Net Absorption
1.8 MSF

Under Construction
0 SF

Figure 1: Total Vacancy vs. Net Absorption

*Arrows indicate change from previous quarter.



Source: CBRE Research, Q4 2014.

The Silicon Valley R&D market rode a wave of historic tenant demand to an excellent year end performance, posting strong numbers in every measurable category. R&D closed the fourth quarter with 1,766,931 sq. ft. of positive net absorption, the highest total of the past fifteen quarters. Additionally, every submarket posted positive net absorption on the year for the first time in three years. Vacancy continues to decline, with every submarket witnessing a reduction for the second consecutive quarter.

Of the 1.8 million sq. ft. of positive net absorption, 25.3% occurred in Fremont, which continues to perform as one of the top R&D submarkets. Despite a lack of headline-grabbing deals, Fremont saw 14 new leases over 10,000 sq. ft., as well as two user sales exceeding 50,000 sq. ft. In addition to Fremont, five other submarkets posted occupancy gains of over 100,000 sq. ft, demonstrating the overall strength of the market.

The average asking rate for Silicon Valley rose \$0.05 on the quarter, marking the sixteenth

consecutive quarter with increased rates. At \$1.81 NNN, R&D asking rates have reached their highest total since the fourth quarter of 2001. Every submarket, with the exception of South San Jose, saw an increase in asking rates. Santa Clara's average asking rate rose \$0.05 to \$1.81, matching the overall rate for the Silicon Valley. Lease rates project to continue rising as available supply dwindles.

R&D sales activity remains strong, keeping pace with the robust totals of recent quarters. Both users and investors are eager to take advantage of the hot market, with 3.5 million sq. ft. of R&D product changing hands during the fourth quarter, pushing the yearly total to over 13 million sq. ft.

The Silicon Valley R&D market performed at a high level in 2014, picking up steam every quarter. With lease rates climbing, vacancy falling and strong Office/R&D tenant demand, 2015 is poised to continue where 2014 left off: marching towards the record setting numbers of the dot-com era.

Figure 2: Total R&D Market Statistics

| Submarket | Net Rentable Area | Total Vacancy % | Total Availability % | Avg. Asking Rate* (\$/SF) | Q4 Net Absorption | YTD Net Absorption |
|-----------------------|--------------------|-----------------|----------------------|---------------------------|-------------------|--------------------|
| San Jose - Downtown | 773,601 | 0.9% | 1.2% | \$1.11 | (7,100) | 68,601 |
| Meridian | 360,672 | 0.0% | 0.0% | \$1.11 | 0 | 0 |
| San Jose - North | 23,366,770 | 11.7% | 15.3% | \$1.74 | 374,776 | 978,302 |
| IBP | 9,812,137 | 7.3% | 8.3% | \$0.99 | 44,501 | 255,799 |
| San Jose - East | 472,658 | 3.9% | 3.9% | \$0.90 | (6,034) | (4,372) |
| San Jose - South | 9,802,825 | 18.3% | 22.3% | \$0.96 | 150,909 | 39,317 |
| Milpitas | 11,362,492 | 9.8% | 12.4% | \$1.09 | 150,918 | 380,370 |
| Santa Clara | 20,028,303 | 11.5% | 14.4% | \$1.81 | 282,735 | 179,454 |
| Campbell | 1,201,641 | 7.9% | 8.6% | \$1.68 | 10,221 | 20,362 |
| Los Gatos | 658,627 | 0.0% | 0.0% | \$1.57 | 29,127 | 0 |
| Cupertino | 4,762,869 | 0.0% | 0.0% | \$2.67 | 2,442 | 6,064 |
| Sunnyvale | 21,806,778 | 6.7% | 8.9% | \$2.07 | 33,234 | 352,194 |
| Mountain View | 12,589,752 | 1.2% | 1.8% | \$2.46 | 65,816 | 230,910 |
| Los Altos | 12,326 | 0.0% | 0.0% | \$2.38 | 0 | 0 |
| Palo Alto | 10,683,133 | 1.1% | 1.3% | \$4.75 | 208,617 | 498,078 |
| Fremont/Newark | 23,239,394 | 13.9% | 17.9% | \$0.86 | 426,769 | 806,511 |
| Silicon Valley | 150,933,978 | 9.1% | 11.6% | \$1.81 | 1,766,931 | 3,811,590 |

Source: CBRE Research, Q4 2014.

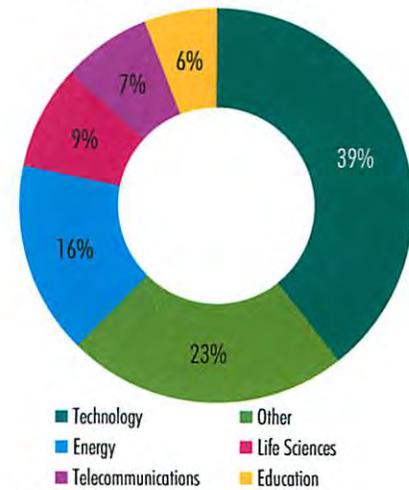
* Direct Monthly Lease Rates, Triple Net (NNN)

Figure 3: Top Leases / Top Sales

| Lease (Tenant) | City | Total SF |
|-----------------|-------------|----------|
| Confidential | Palo Alto | 96,422 |
| ASML | San Jose | 92,842 |
| Miasole Hi-Tech | Sunnyvale | 92,820 |
| Mediatek USA | San Jose | 81,046 |
| Sale (Buyer) | City | Total SF |
| MetLife | San Jose | 418,830 |
| CrowsNest | Fremont | 371,761 |
| Prudential | Santa Clara | 359,000 |
| CBREI | Sunnyvale | 261,000 |

Source: CBRE Research, Q4 2014.

Figure 4: Top 25 Leases by Industry



Source: CBRE Research, Q4 2014.

LEASE RATES

The average asking rate for Silicon Valley rose \$.05 on the quarter, marking the sixteenth consecutive quarter with increased rates. At \$1.81 NNN, R&D asking rates have reached their highest total since the fourth quarter of 2001. Every submarket, with the exception of South San Jose, saw an increase in asking rates. Santa Clara's average asking rate rose \$.05 to \$1.81, matching the overall rate for the Silicon Valley. Lease rates project to continue rising as available supply dwindles.

NET ABSORPTION

The Silicon Valley R&D market posted 1.6M sq. ft. of occupancy gains in the fourth quarter. This marked the fifth consecutive quarter of positive net absorption. Every submarket experienced positive net absorption, with four exceeding 200K sq. ft. The Fremont submarket saw occupancy gains of over 400K sq. ft., the largest of any submarket. Despite a lack of headline-grabbing deals, Fremont saw 14 new leases over 10K sq. ft., as well as two user sales exceeding 50K sq. ft.

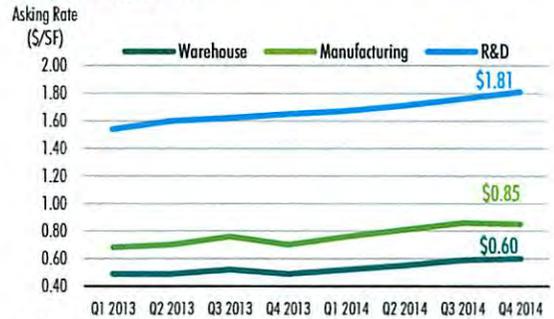
VACANCY & AVAILABILITY

Overall vacancy dropped 100 basis points (bps) in the fourth quarter, surpassing the vacancy decrease from the previous quarter. This marks the lowest rate since the dot-com era, and a 1,140 bps drop since the most recent peak in the third quarter of 2010. Five submarkets experienced vacancy declines of over 100 bps. South San Jose led the way with a reduction of 240 points, followed by the Fremont/Newark submarket, with a reduction of 190 bps.

CONSTRUCTION COMPLETIONS

The R&D market saw one completion on the quarter, a 20,219 sq. ft. building at 2690 Scott Blvd in Santa Clara. There are currently no R&D buildings under construction in the Valley, but National Avenue Investors LLC has been approved for 145,906 sq. ft. on 600 National Ave in Mountain View, and hopes to start construction this summer. Additionally, Herman Christensen is planning 500,000 sq. ft. of R&D product on Paseo Padre in Fremont.

Figure 5: Lease Rates



Source: CBRE Research, Q4 2014.

Figure 6: Net Absorption



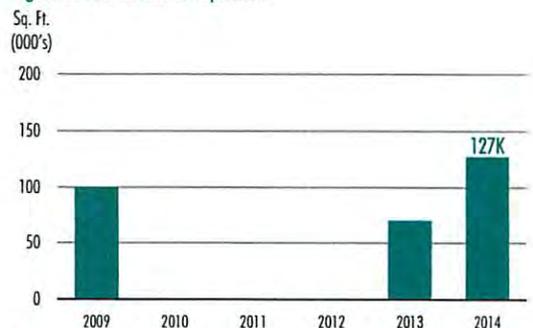
Source: CBRE Research, Q4 2014.

Figure 7: Vacancy & Availability



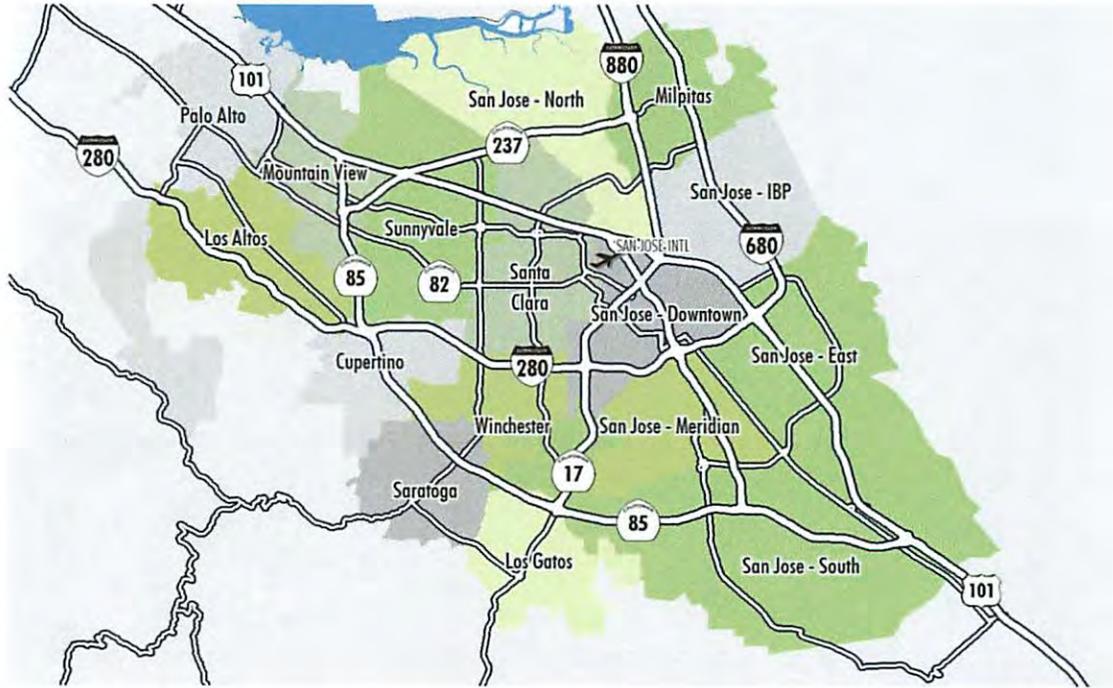
Source: CBRE Research, Q4 2014.

Figure 8: Construction Completions



Source: CBRE Research, Q4 2014.

SUBMARKET MAP



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DEFINITIONS

Average Asking Rate Direct Monthly Lease Rates, Full Service Gross. *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 office 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.

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Silicon Valley R&D, Q1 2015

Figure 1: Statistics and Transactions

| Submarket | NRA | Total Vacancy % ¹ | Total Vacant SF | Total Availability % ² | Total Direct Available | Total Sublease Available | Average Asking Rate ³ (\$) | Q1 Net Absorption | YTD Net Absorption |
|--------------------------------------|--------------------|------------------------------|-------------------|-----------------------------------|------------------------|--------------------------|---------------------------------------|-------------------|--------------------|
| San Jose - Downtown/IBP | 10,521,056 | 5.6 | 585,774 | 9.1 | 756,561 | 199,894 | 1.02 | (1,151) | (1,151) |
| San Jose- North | 23,872,647 | 12.0 | 2,873,704 | 14.7 | 3,068,742 | 431,220 | 1.82 | (15,030) | (15,030) |
| San Jose - South ⁴ | 10,675,970 | 18.6 | 1,987,217 | 21.3 | 2,269,088 | 2,880 | 0.99 | (51,660) | (51,660) |
| Milpitas | 11,674,473 | 10.6 | 1,235,431 | 12.0 | 1,190,542 | 211,458 | 1.12 | (114,472) | (114,472) |
| Santa Clara | 19,960,055 | 10.7 | 2,143,672 | 15.0 | 2,501,420 | 494,845 | 1.90 | 222,623 | 222,623 |
| West Valley ⁵ | 6,590,137 | 1.5 | 99,151 | 1.9 | 93,621 | 30,190 | 2.39 | (4,655) | (4,655) |
| Sunnyvale | 21,797,146 | 6.4 | 1,397,402 | 8.8 | 1,726,192 | 184,302 | 2.15 | (92,391) | (92,391) |
| Mountain View/Los Altos | 12,500,560 | 2.1 | 257,327 | 3.0 | 247,981 | 133,221 | 2.59 | (92,798) | (92,798) |
| Palo Alto | 10,594,870 | 1.2 | 131,672 | 2.1 | 120,668 | 104,033 | 5.25 | (19,219) | (19,219) |
| Fremont/Newark | 23,168,052 | 12.9 | 2,984,674 | 17.1 | 3,663,257 | 294,989 | 0.89 | 324,374 | 324,374 |
| Silicon Valley R&D Market | 151,354,966 | 9.0 | 13,696,024 | 11.7 | 15,638,072 | 2,087,032 | 1.90 | 155,621 | 155,621 |

Source: CBRE Research, Q1 2015.

¹ Total Vacancy Rate = Direct Vacancy + Sublease Vacancy

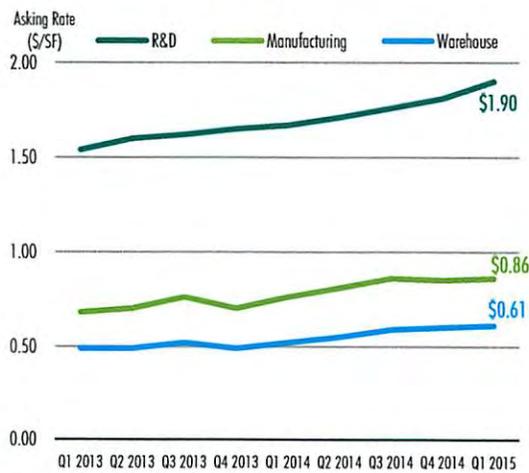
² Total Availability Rate = All existing space being marketed for lease

³ Monthly Direct Lease Rates, NNN

⁴ San Jose-South is comprised of the Meridian, San Jose East and San Jose South submarkets

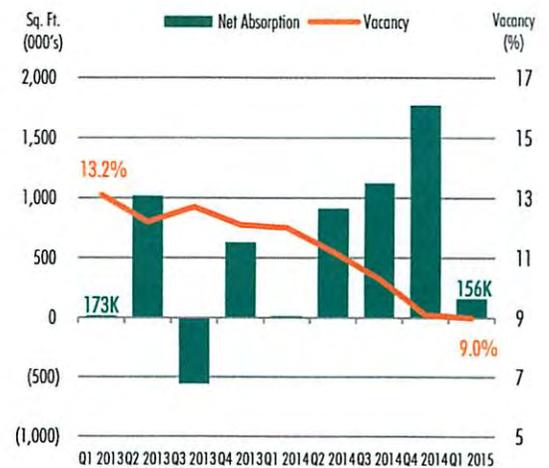
⁵ West Valley is comprised of the Los Gatos, Campbell and Cupertino submarkets

Figure 2: Average Asking Rates



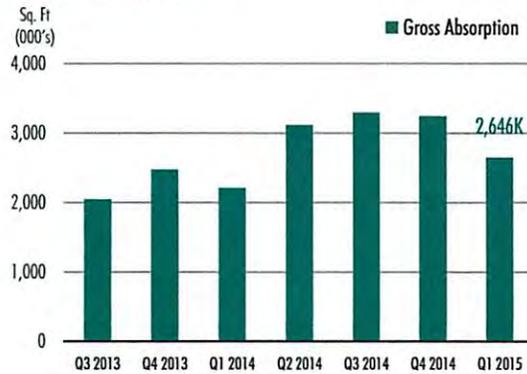
Source: CBRE Research, Q1 2015.

Figure 3: Net Absorption and Vacancy



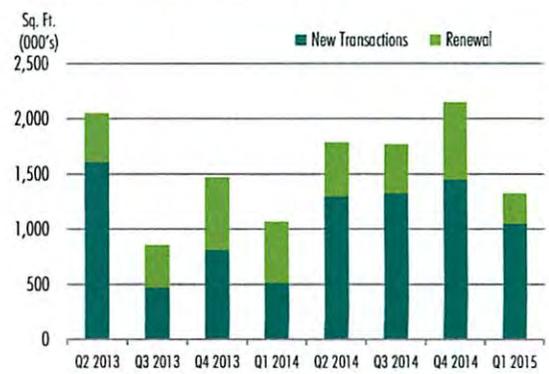
Source: CBRE Research, Q1 2015.

Figure 4: Gross Absorption



Source: CBRE Research, Q1 2015.

Figure 5: Renewal vs. New Transaction Activity*



Source: CBRE Research, Q1 2015.

* Leases over 25,000 sq. ft.

Figure 6: Significant Lease Transactions of the Quarter

| Lessee | Address | Total SF | Lease Type |
|-----------------------------|--|----------|------------|
| Tibco Software | 3301 Hillview Ave, Palo Alto | 292,013 | New Lease |
| Silevo | 47700 Kato Rd & 1055 Page Ave, Fremont | 199,352 | New Lease |
| MapR | 350 Holger Wy, San Jose | 96,710 | Sublease |
| ABB, Inc. | 3055 Orchard Dr, San Jose | 94,170 | New Lease |
| F5 Networks | 3545 First St, San Jose | 79,838 | New Lease |
| AOSense | 929 Arques Ave, Sunnyvale | 58,688 | Sublease |
| Elixir Medical | 920 McCarthy Blvd, Milpitas | 53,666 | New Lease |
| DeVry Education Group | 5883 Rue Ferrari St, San Jose | 48,802 | New Lease |
| Imagine Communications Corp | 390 W Java Dr, Sunnyvale | 48,480 | Renewal |
| Plexus Corporation | 431 Kato Terrace, Fremont | 45,930 | Renewal |

Source: CBRE Research, Q1 2015.

Figure 7: Significant Sale Transactions of the Quarter

| Buyer | Address | Total SF | Type |
|---------------------------------|--|-----------|------------|
| Global Logistics Properties/GIC | IndCor Portfolio | 2,229,399 | Investment |
| Select Income REIT | Cole Corporate Income Trust Silicon Valley Portfolio | 501,293 | Investment |
| The Irvine Company | 3900-3990 Freedom Cir, Santa Clara | 455,303 | Investment |
| Westport Capital Partners | Lifescan Campus, Milpitas | 394,742 | Investment |
| Carlyle Group | 200-250 Hacienda Ave, Campbell | 317,091 | Investment |
| Morgan Stanley | 3301-3307 Hillview Ave, Palo Alto | 292,013 | Investment |
| Westcore | 2701 Orchard Pkwy, San Jose | 207,006 | Investment |
| Lennar Corporation | 1390-1400 Kifer Rd, Sunnyvale | 165,497 | Investment |

Source: CBRE Research, Q1 2015.

Silicon Valley R&D, Q4 2014

Figure 1: Statistics and Transactions

| Submarket | NRA | Total Vacancy % ¹ | Total Vacant SF | Total Availability % ² | Total Direct Available | Total Sublease Available | Average Asking Rate ³ (\$/SF) | Q4 Net Absorption | YTD Net Absorption |
|--------------------------------------|--------------------|------------------------------|-------------------|-----------------------------------|------------------------|--------------------------|--|-------------------|--------------------|
| San Jose - Downtown/IBP | 10,585,738 | 6.8% | 719,975 | 7.8% | 792,696 | 32,801 | \$1.00 | 37,401 | 324,400 |
| San Jose - North | 23,366,770 | 11.7% | 2,732,660 | 15.3% | 3,034,193 | 547,835 | \$1.74 | 374,776 | 978,302 |
| San Jose - South ⁴ | 10,636,155 | 17.0% | 1,809,116 | 20.7% | 2,184,906 | 22,000 | \$0.96 | 144,875 | 34,945 |
| Milpitas | 11,362,492 | 9.8% | 1,109,077 | 12.4% | 1,278,479 | 129,210 | \$1.09 | 150,918 | 380,370 |
| Santa Clara | 20,028,303 | 11.5% | 2,307,412 | 14.4% | 2,600,544 | 275,602 | \$1.81 | 282,735 | 179,454 |
| West Valley ⁵ | 6,623,137 | 1.4% | 94,496 | 1.6% | 97,825 | 5,530 | \$2.38 | 41,790 | 26,426 |
| Sunnyvale | 21,806,778 | 6.7% | 1,456,132 | 8.9% | 1,842,012 | 94,827 | \$2.07 | 33,234 | 352,194 |
| Mountain View/Los Altos | 12,602,078 | 1.2% | 157,078 | 1.8% | 82,667 | 144,565 | \$2.46 | 65,816 | 230,910 |
| Palo Alto | 10,683,133 | 1.1% | 112,453 | 1.3% | 41,601 | 92,852 | \$4.75 | 208,617 | 498,078 |
| Fremont/Newark | 23,239,394 | 13.9% | 3,232,445 | 17.9% | 3,911,266 | 243,629 | \$0.86 | 426,769 | 806,511 |
| Silicon Valley R&D Market | 150,933,978 | 9.1% | 13,730,844 | 11.6% | 15,866,189 | 1,588,851 | \$1.81 | 1,766,931 | 3,811,590 |

Source: CBRE Research, Q4 2014.

¹ Total Vacancy Rate = Direct Vacancy + Sublease Vacancy
² Total Availability Rate = All existing space being marketed for lease
³ Monthly Direct Lease Rates, Full Service Gross
⁴ San Jose-South is comprised of the Meridian, San Jose East and San Jose South submarkets
⁵ West Valley is comprised of the Los Gatos, Campbell and Cupertino submarkets

Figure 2: Average Asking Rates

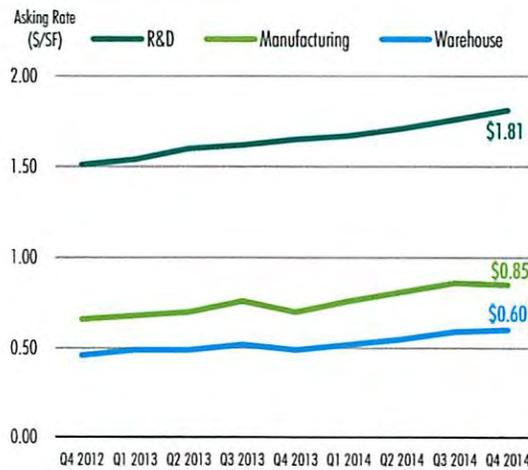


Figure 3: Net Absorption and Vacancy

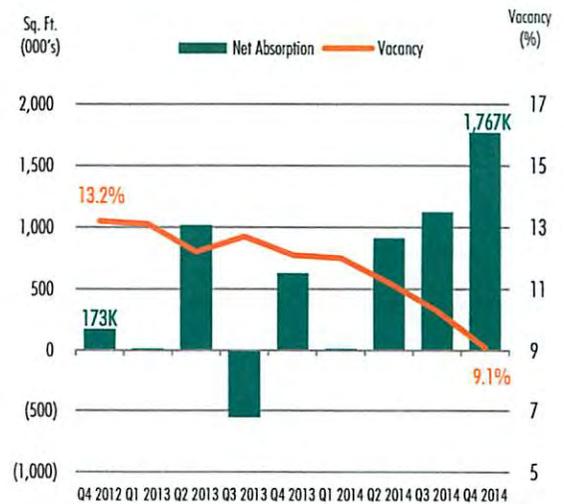
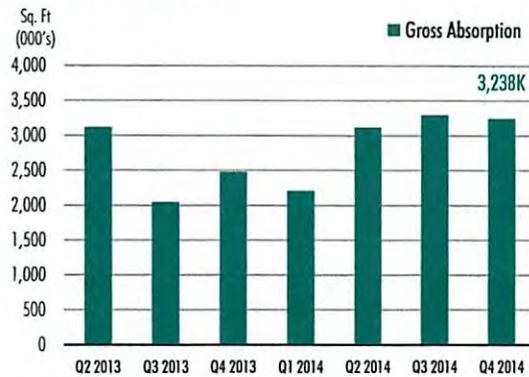
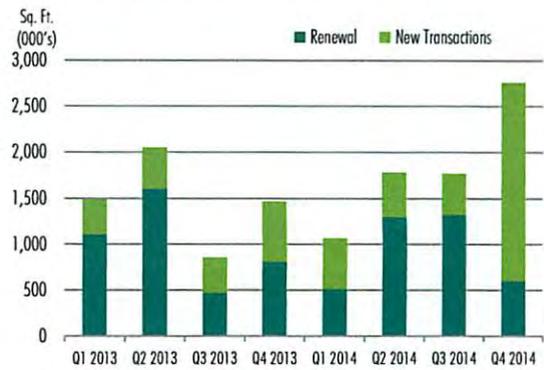


Figure 4: Gross Absorption



Source: CBRE Research, Q4 2014.

Figure 5: Renewal vs. New Transaction Activity



Source: CBRE Research, Q4 2014.

Figure 6: Significant Lease Transactions of the Quarter

| Lessee | Address | Total SF | Lease Type |
|-------------------------------------|--|----------|------------|
| Confidential | 4001-4015 Miranda Ave, Palo Alto | 96,422 | New Lease |
| ASML | 399 Trimble Rd, San Jose | 92,842 | New Lease |
| Miasole Hi-Tech | 435 Oakmead Pkwy, Sunnyvale | 92,820 | Renewal |
| Mediatek USA | 2840 Junction Ave, San Jose | 81,046 | New Lease |
| International Technology University | 2711 First St, San Jose | 76,568 | New Lease |
| Intermatix Corporation | 46400-46410, 46430 Fremont Blvd, Fremont | 75,765 | Renewal |
| Ralph's Furniture | 980 Walsh Ave, Santa Clara | 65,000 | New Lease |
| Lam Research | 45365 Northport Loop, Fremont | 64,218 | New Lease |
| Aoptix | 675 Campbell Technology Pkwy, Campbell | 61,400 | New Lease |
| Solar Junction | 401 Charcot Ave, San Jose | 56,610 | New Lease |

Source: CBRE Research, Q4 2014.

Figure 7: Significant Sale Transactions of the Quarter

| Buyer | Address | Total SF | Type |
|-------------------------|---|----------|------------|
| MetLife | 2305 Mission College Blvd, Santa Clara | 418,830 | Investment |
| CrowsNest | 45540 E Northport Loop, Fremont | 371,761 | Investment |
| Prudential | 2305 Mission College Blvd, Santa Clara | 359,000 | Investment |
| CBREI | 1320 Bordeaux Dr, Sunnyvale | 261,000 | Investment |
| Kilroy Realty Corp | 1310 Chesapeake Terr, Sunnyvale | 259,147 | Investment |
| Lane Partners LLC | 501 Macara Ave, Sunnyvale/Mountain View | 200,492* | Investment |
| Kinship Capital | 5301 Patrick Henry Dr, Santa Clara | 126,000 | Investment |
| PS Business Parks, Inc. | 828 Charcot Ave, San Jose | 119,828 | Investment |

Source: CBRE Research, Q4 2014.

*Portfolio Sale: 146,000 Sq. Ft. R&D

Disclaimer: Information contained herein, including projections, has been obtained from sources believed to be reliable. While we do not doubt its accuracy, we have not verified it and make no guarantee, warranty or representation about it. It is your responsibility to confirm independently its accuracy and completeness. This information is presented exclusively for use by CBRE clients and professionals and all rights to the material are reserved and cannot be reproduced without prior written permission of CBRE.

Silicon Valley, R&D Statistics & Transactions

Q4 2013

CBRE Global Research and Consulting

| Submarket | NRA | Total Vacancy % | Total Vacant SF | Total Availability % | Total Direct Available | Total Sublease Available | Average Asking Rate* | Q4 Net Absorption | Q4 Gross Absorption | YTD Net Absorption |
|--------------------------------------|--------------------|-----------------|-------------------|----------------------|------------------------|--------------------------|----------------------|-------------------|---------------------|--------------------|
| San Jose – Downtown/IBP | 10,569,967 | 10.9% | 1,152,646 | 12.4% | 1,281,261 | 32,801 | \$0.90 | 227,738 | 348,985 | 127,670 |
| San Jose – North | 22,765,017 | 15.7% | 3,571,007 | 17.5% | 3,553,318 | 420,049 | \$1.55 | 188,420 | 436,088 | 468,708 |
| San Jose - South* | 10,625,285 | 18.6% | 1,978,512 | 23.6% | 2,482,347 | 22,000 | \$0.86 | (40,880) | 75,763 | (263,982) |
| Milpitas | 11,391,742 | 13.8% | 1,570,225 | 15.9% | 1,643,759 | 171,781 | \$1.00 | 68,157 | 213,649 | 425,201 |
| Santa Clara | 19,804,373 | 12.6% | 2,502,337 | 14.8% | 2,631,241 | 301,207 | \$1.65 | 83,269 | 414,849 | 245,973 |
| West Valley* | 6,590,137 | 1.8% | 118,480 | 2.0% | 121,393 | 7,921 | \$2.35 | (23,042) | 87,266 | 13,430 |
| Sunnyvale | 21,911,197 | 8.1% | 1,765,628 | 9.6% | 1,806,050 | 304,517 | \$1.90 | 9,500 | 194,176 | (324,573) |
| Mountain View/Los Altos | 12,504,668 | 3.7% | 465,668 | 5.5% | 460,062 | 221,954 | \$2.25 | 129,515 | 282,326 | 28,671 |
| Palo Alto | 10,127,971 | 5.7% | 574,312 | 5.8% | 156,912 | 431,057 | \$4.45 | 7,075 | 48,755 | (120,817) |
| Fremont/Newark | 23,494,529 | 18.7% | 4,393,381 | 21.3% | 4,506,361 | 499,449 | \$0.77 | (20,782) | 422,967 | 502,319 |
| Silicon Valley R&D Market | 149,784,886 | 12.1% | 18,092,196 | 14.1% | 18,642,704 | 2,412,736 | \$1.65 | 628,970 | 2,524,824 | 1,102,600 |

¹ San Jose - South is comprised of the Meridian, San Jose East and San Jose South submarkets

² West Valley is comprised of the Los Gatos, Campbell and Cupertino submarkets

* Direct Monthly Lease Rates, Triple Net (NNN)

Chart #1: Lease Rates

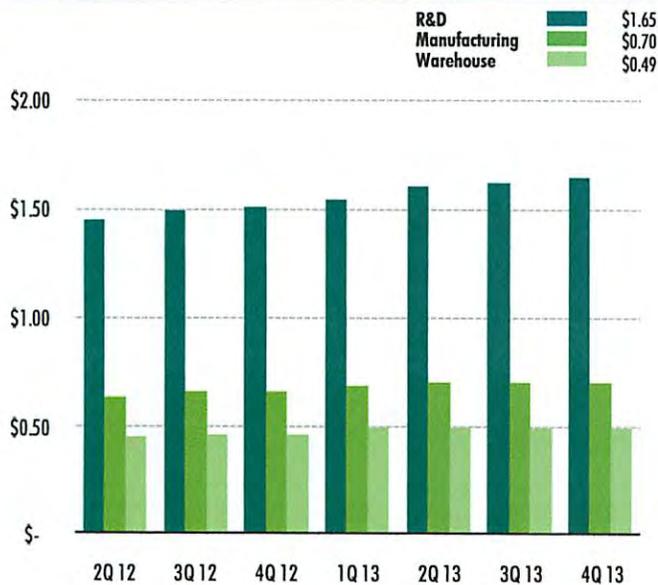


Chart #2: Net Absorption & Vacancy

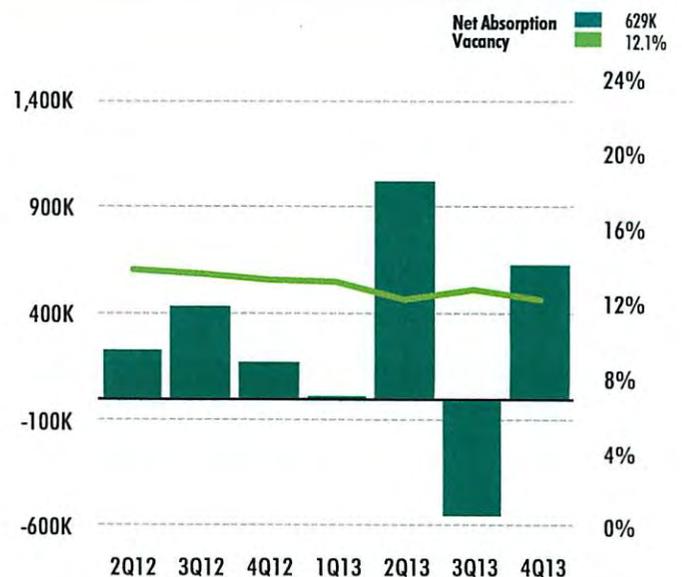


Chart #3: Gross Absorption

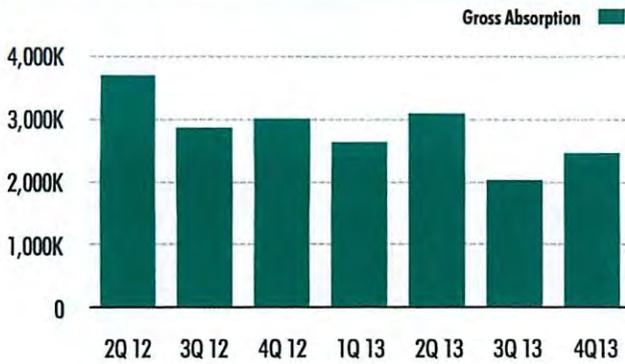
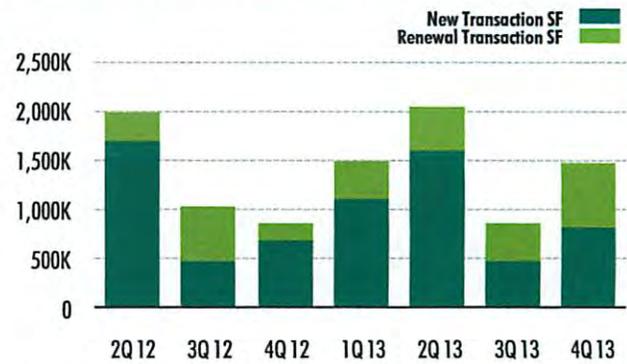


Chart #4: Renewal vs. New Transaction Activity*



* In transactions over 25,000 SF

Table 1: Significant Lease Transactions of the Quarter

| Lessee | Address | Total SF | Type |
|----------------------|----------------------------------|----------|-------------------|
| Intermolecular, Inc. | 3011 N First St, San Jose | 146,159 | Renewal |
| Arris | 2450-2500 Walsh Ave, Santa Clara | 131,680 | Renewal/Expansion |
| Micron | 540 & 570 Alder Dr, Milpitas | 97,962 | New Lease |
| Allierre Corporation | 1980 Concourse Dr, San Jose | 85,367 | Renewal |
| Aptina | 2600 Zanker Rd, San Jose | 68,252 | New Lease |
| Shoretel | 960 Stewart Dr, Sunnyvale | 63,781 | Renewal |
| Lumasense & Luxtron | 3301 Leonard Ct, Santa Clara | 63,417 | Renewal |
| Tessera | 3025 Orchard Pkwy, San Jose | 60,704 | Renewal |
| Green Circuits | 1130 Ringwood Ct, San Jose | 58,760 | New Lease |
| Avnet | 2580 Junction Ave, San Jose | 51,985 | New Lease |

Table 2: Significant Sale Transactions of the Quarter

| Buyer | Address | Total SF | Type |
|-----------------------------------|---|----------|----------|
| MWest | Equity Portfolio (3 business parks), San Jose | 825,098 | Investor |
| Lane Partners/PIMCO | Deutsche Asset & Wealth Mgmt Portfolio, Sunnyvale | 508,945 | Investor |
| Brookfield | Rio Robles Technology Park, San Jose | 459,859 | Investor |
| Pearlmark Real Estate Partners | 2305 Mission College Blvd, Santa Clara | 359,000 | Investor |
| Embarcadero Capital Partners | 2100-2190 Gold St, San Jose | 305,224 | Investor |
| Select Income REIT | 51, 77, 145 Rio Robles & 3939 N 1st St, San Jose | 250,731 | Investor |
| Downtown Properties Holdings, LLC | 10100 N Tantau, Cupertino & 5425 Stevens Creek, Santa Clara | 220,762 | Investor |
| TA Associates | Montague Square, San Jose | 214,450 | Investor |
| Cole Real Estate Investments | 3250-3270 Jay St, Santa Clara | 148,704 | Investor |
| South Bay Development | 3011 N 1st St, San Jose | 146,159 | Investor |

Silicon Valley, R&D Statistics & Transactions

Q4 2012

CBRE Global Research and Consulting

| Submarket | NRA | Total Vacancy % | Total Vacant SF | Total Availability % | Total Direct Available | Total Sublease Available | Average Asking Rate* | Q4 Net Absorption | Q4 Gross Absorption | YTD Net Absorption |
|--------------------------------------|--------------------|-----------------|-------------------|----------------------|------------------------|--------------------------|----------------------|-------------------|---------------------|--------------------|
| San Jose – Downtown/IBP | 10,569,126 | 12.1% | 1,280,076 | 12.7% | 1,235,515 | 104,750 | \$0.89 | 220,767 | 253,265 | 791,491 |
| San Jose – North | 25,228,440 | 16.1% | 4,051,015 | 18.9% | 4,426,703 | 345,037 | \$1.35 | (8,633) | 291,543 | (204,471) |
| San Jose – South* | 10,562,022 | 16.3% | 1,719,895 | 18.1% | 1,660,237 | 247,161 | \$0.86 | (7,095) | 69,858 | 105,769 |
| Milpitas | 11,279,521 | 18.2% | 2,052,595 | 18.8% | 1,990,682 | 125,512 | \$0.86 | (135,322) | 186,968 | 111,052 |
| Santa Clara | 20,483,314 | 14.6% | 2,984,759 | 16.6% | 3,057,972 | 349,692 | \$1.42 | 171,807 | 508,040 | 200,440 |
| West Valley* | 6,590,137 | 2.5% | 166,947 | 2.6% | 134,998 | 35,213 | \$2.22 | (21,040) | 30,605 | 22,732 |
| Sunnyvale | 22,443,002 | 7.6% | 1,707,254 | 8.7% | 1,729,650 | 232,621 | \$1.72 | 193,067 | 491,461 | 658,549 |
| Mountain View/Los Altos | 12,405,242 | 4.2% | 523,863 | 4.8% | 486,600 | 113,148 | \$2.04 | 41,217 | 248,991 | 253,384 |
| Palo Alto | 10,095,689 | 4.5% | 453,495 | 5.5% | 184,181 | 367,904 | \$4.38 | (334,692) | 330,679 | 43,397 |
| Fremont/Newark | 23,521,740 | 22.3% | 5,238,011 | 23.4% | 5,237,744 | 269,314 | \$0.73 | 53,066 | 596,762 | 245,960 |
| Silicon Valley R&D Market | 153,178,233 | 13.2% | 20,177,910 | 14.6% | 20,144,282 | 2,190,352 | \$1.51 | 173,142 | 3,008,172 | 2,228,303 |

¹ San Jose - South is comprised of the Meridian, San Jose East and San Jose South submarkets

² West Valley is comprised of the Los Gatos, Campbell and Cupertino submarkets

* Direct Monthly Lease Rates, Triple Net (NNN)

Chart #1: Lease Rates

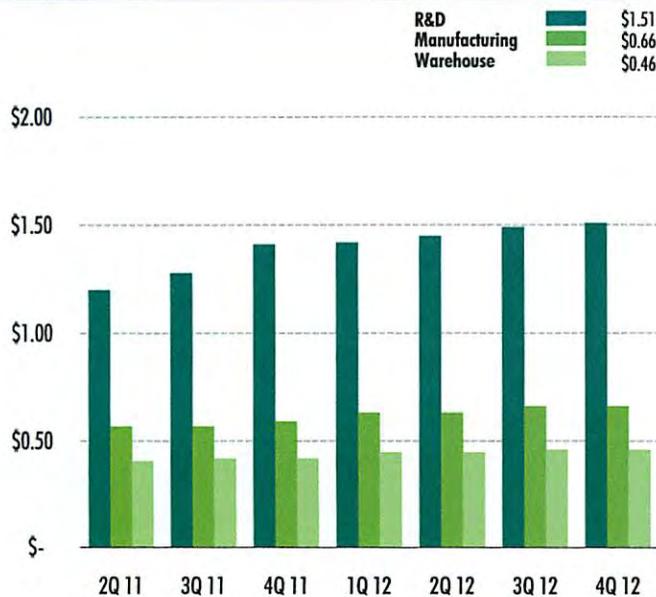


Chart #2: Net Absorption & Vacancy

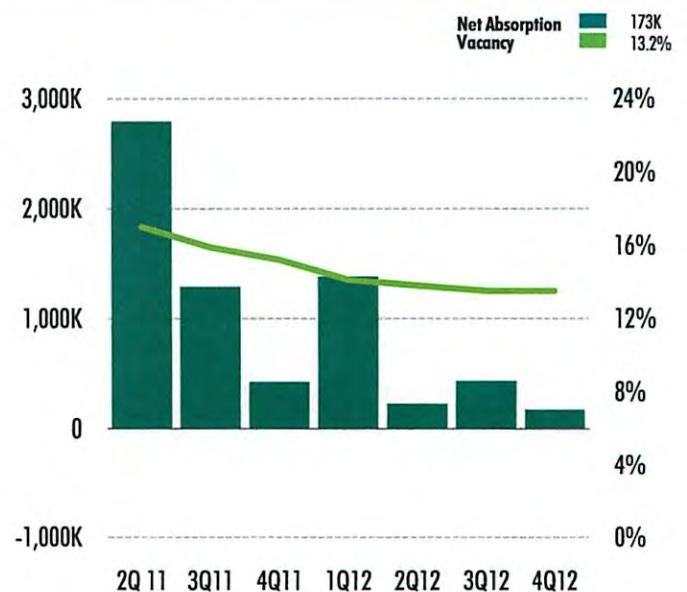


Chart #3: Gross Absorption

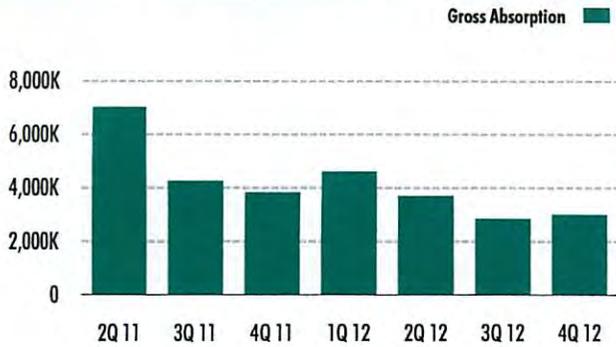
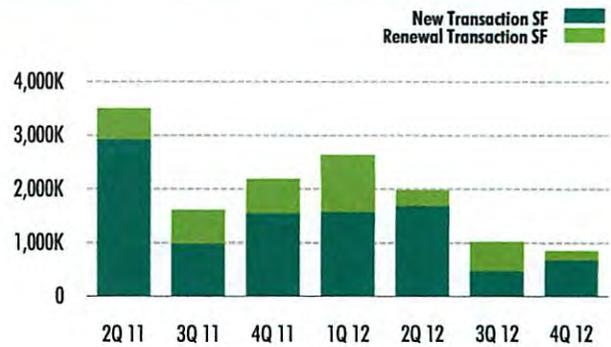


Chart #4: Renewal vs. New Transaction Activity*



* In transactions over 25,000 SF

Table 1: Significant Lease Transactions of the Quarter

| Lessee | Address | Total SF | Type |
|-----------------------|--------------------------------------|----------|-----------|
| ServiceNow | 3250-3270 Jay St, Santa Clara | 148,704 | New Lease |
| ARM | 150 Rose Orchard Wy, San Jose | 92,448 | Renewal |
| Conceptus | 1011 McCarthy Blvd, Milpitas | 74,044 | New Lease |
| Apple, Inc. | 5425 Stevens Creek Blvd, Santa Clara | 59,384 | New Lease |
| Aver Information | 440 Mission Ct, Fremont | 54,892 | New Lease |
| Apple, Inc. | 928 E Arques Ave, Sunnyvale | 51,450 | New Lease |
| Samsung Semiconductor | 215 Devcon Dr, San Jose | 51,151 | New Lease |
| National Instruments | 4600 Patrick Henry Dr, Santa Clara | 50,138 | New Lease |
| ASML US, Inc. | 4201 Burton Dr, Santa Clara | 49,232 | New Lease |
| VSS Monitoring | 920 Deguigne Dr, Sunnyvale | 45,724 | New Lease |

Table 2: Significant Sale Transactions of the Quarter

| Buyer | Address | Total SF | Type |
|-------------------------|--|-----------|---------------|
| Divco/TPG & Berg Family | Multiple Buildings Throughout Valley | 7,625,320 | Investor Sale |
| LBA Realty | W Plumeria, Orchard, N First & E Tasman, San Jose | 486,603 | Investor Sale |
| KBS Realty Advisors | Palo Alto Tech Center (aka The Harbor), Palo Alto | 265,000 | Investor Sale |
| TA Associates | 2560, 2570, 2580 & 2590 Orchard Pkwy, San Jose | 258,048 | Investor Sale |
| Bixby Land Company | 375 W Trimble Rd, San Jose | 234,123 | Investor Sale |
| Westport Capital | 1010, 1020 & 1060 Rincon, San Jose | 201,661 | Investor Sale |
| Ridge Capital | 145 Rio Robles St, San Jose | 185,704 | Investor Sale |
| Prologis | 225 Charcot Ave, San Jose | 166,640 | Investor Sale |
| Jay Paul Company | 441 Moffett Park, 1221 Crossman, 480 Java, Sunnyvale | 151,077 | Investor Sale |
| Zoll Circulation | 2000 Ringwood Ave, Santa Clara | 124,000 | User Sale |

Information contained herein, including projections, has been obtained from sources believed to be reliable. While we do not doubt its accuracy, we have not verified it and make no guarantee, warranty or representation about it. It is your responsibility to confirm independently its accuracy and completeness. This information is presented exclusively for use by CBRE clients and professionals and all rights to the material are reserved and cannot be reproduced without prior written permission of the CBRE Global Chief Economist.

MarketView Silicon Valley R&D

Quick Stats

| | Current | Change from last | |
|--------------------------|---------|------------------|------|
| | | Yr. | Qtr. |
| Total Vacancy | 15.2% | ↓ | ↓ |
| Direct Lease Rate | \$1.41 | ↑ | ↑ |
| Net Absorption | 422,330 | ↓ | ↓ |
| Construction Completions | 0 | ↔ | ↔ |

*The arrows indicate a trend and do not represent a positive or negative value for the underlying statistic (e.g. Net Absorption could be negative, but still represent a positive trend over the time period.)

Hot Topics

- Fifth consecutive quarter of positive net absorption
- Vacancy rates down 70 basis points over the quarter
- 3.8 MSF of gross absorption
- Fourth consecutive quarter of rising average asking rates to \$1.41 NNN

During the first three quarters of 2011, the Silicon Valley R&D market witnessed dynamic post recession transaction activity. The tech industry was the main driver behind the extremely active quarters that took the Valley's absorption levels above those seen in the R&D market since late 2005. Although the fourth quarter closed out the year with positive fundamentals, as expected, the levels were below the marks set in the first three quarters. Landlord and investor confidence carried over as investor/developer sales accounted for eight of the top ten sales. The positive end to 2011 bodes well for the upcoming year as R&D leasing and sale activity are expected to remain stable during the uncertainty in the national economy.

Net absorption on the quarter was positive with occupancy gains totaling 422,330 SF, increasing the net absorption to over 5.3 MSF for the year. LinkedIn signed the largest lease on the quarter as they renewed and expanded into a total of 303,000 SF at 2019 and 2025-2061 Stierlin Ct in Britannia Shoreline Technology Park. Other top leases on the quarter included Apple Inc, taking down nearly 325,000 SF at multiple properties in Sunnyvale and Microsemi signing on 179,000 SF in San Jose. A leading technology company was the top user sale on the quarter, acquiring 187,380 SF with their purchase of 1545-1585 Charleston Rd in Mountain View. Occupancy numbers in North San Jose struggled to post positive consecutive quarters this year; however, the submarket closed out the final quarter on a positive note with over

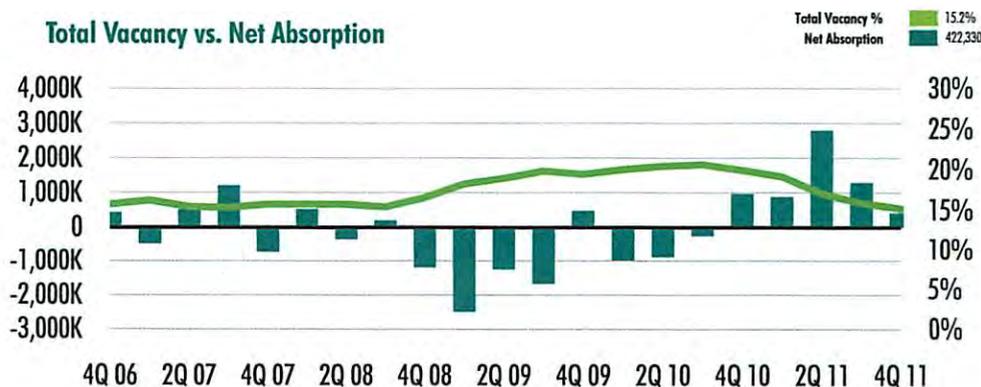
340,000 SF of positive absorption, nearly doubling year-to-date numbers. The two major tenants contributing to these positive numbers were Microsemi and A10 Networks, as they both signed large leases in the North San Jose submarket.

This marks the fifth consecutive quarter of decreasing vacancy rates, down 70 basis points to 15.2% quarter-over-quarter. The North San Jose submarket posted the most significant decrease, down 220 basis points from last quarter. However, countering this was the Downtown/I.B.P submarket as it reduced its overall occupancy by over 104,000 SF; increasing its vacancy rate by 100 basis points quarter-over-quarter. Downtown/I.B.P, along with Sunnyvale and Palo Alto were the only three submarkets with elevated vacancies.

Average asking rates increased for the fourth consecutive quarter, up 10.2% quarter-over-quarter to \$1.41 NNN; rates this high have not been witnessed in the Valley since fourth quarter of 2008. Seven of the ten submarkets witnessed increasing rates over the quarter, while all others remained flat. Looking into 2012, rates are expected to increase at a similar pace as many prominent tenants are still seeking space.

Closing out 2011 at positive yet less aggressive levels than earlier this year may be an indicator of a stabilizing market. Moving forward into 2012, the overall Silicon Valley R&D market is expected to yield similar results to 2011 as demand for space is anticipated to remain strong.

Total Vacancy vs. Net Absorption



Market Statistics

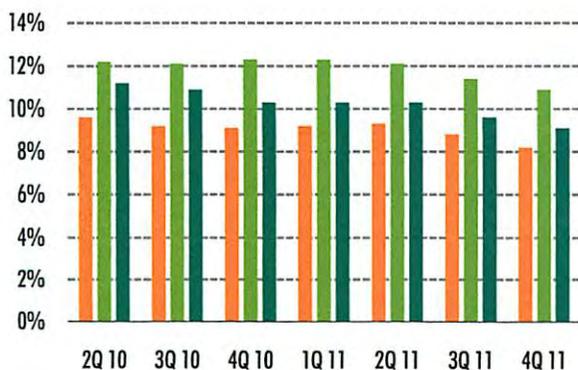
| Submarket | Net Rentable Area | Total Vacancy % | Total Availability % | Average Asking Rate | Q4 Net Absorption | YTD Net Absorption | Under Construction |
|---------------------------|--------------------|-----------------|----------------------|---------------------|-------------------|--------------------|--------------------|
| San Jose Downtown | 771,479 | 0% | 0.3% | \$1.00 | 0 | (9,484) | 0 |
| Meridian | 282,900 | 12.2% | 12.2% | \$1.07 | (1,227) | 10,479 | 0 |
| San Jose - North | 25,263,941 | 16.4% | 17.9% | \$1.12 | 340,383 | 676,882 | 0 |
| IBP | 9,795,525 | 21.2% | 22.9% | \$0.68 | (104,271) | 59,328 | 0 |
| San Jose - East | 472,658 | 5.9% | 5.9% | \$0.90 | 2,292 | (4,158) | 0 |
| San Jose - South | 9,647,058 | 18.1% | 19.5% | \$0.86 | 106,597 | 429,124 | 0 |
| Milpitas | 11,919,158 | 19.0% | 21.4% | \$0.86 | 48,361 | 375,395 | 0 |
| Santa Clara | 20,565,396 | 16.9% | 17.5% | \$1.35 | 46,539 | 29,360 | 0 |
| Campbell | 1,201,552 | 14.3% | 14.3% | \$1.37 | 14,185 | 64,988 | 0 |
| Los Gatos | 658,627 | 2.2% | 2.6% | \$1.32 | 12,664 | (14,114) | 0 |
| Cupertino | 4,729,869 | 0.3% | 2.4% | \$2.36 | 0 | 315,436 | 0 |
| Sunnyvale | 22,482,110 | 11.2% | 13.7% | \$1.51 | (26,859) | 537,834 | 0 |
| Mountain View | 12,395,915 | 6.3% | 7.0% | \$1.97 | (33,847) | 1,108,318 | 0 |
| Los Altos | 12,326 | 0% | 0% | \$1.80 | 0 | 0 | 0 |
| Palo Alto** | 10,091,298 | 5.1% | 7.0% | \$4.37 | (28,936) | 903,208 | 0 |
| Santa Clara County | 130,289,812 | 13.6% | 15.2% | \$1.54 | 375,881 | 4,482,596 | 0 |
| Fremont/Newark | 23,308,978 | 23.7% | 24.0% | \$0.69 | 46,449 | 902,569 | 0 |
| Silicon Valley | 153,598,790 | 15.2% | 16.5% | \$1.41 | 422,330 | 5,385,165 | 0 |

* Direct Monthly Lease Rates, Triple Net (NNN)

**NRA base changes were made to more accurately reflect the market

Unemployment Rates

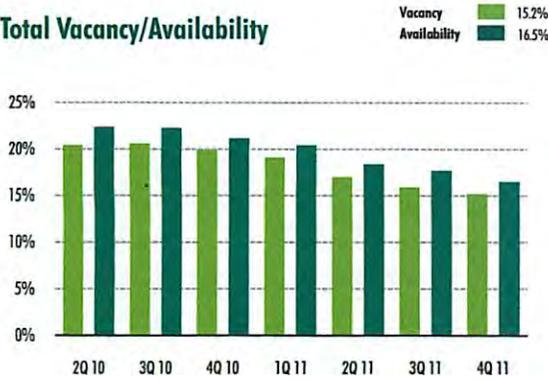
U.S. 8.2%
California 10.9%
Santa Clara 9.1%



Source: EDD

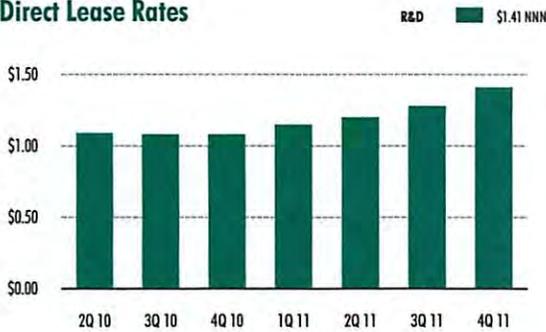
The unemployment rate for Santa Clara County dropped to 9.1% in the fourth quarter, representing a 50 basis point decrease over the last three months, and a 120 basis point decrease from this time last year. The California Employment Development Department reported that since October of this year employment rose by 3,600 jobs in Santa Clara County. According to the San Jose-Sunnyvale-Santa Clara MSA report for November, the professional and business services industry netted an increase of 16,800 jobs, with scientific and technical services posting the largest growth. The information sector was the hardest hit, as it witnessed a 40% decline annually, down 800 jobs. The past year, however, showed an overall improvement in job development as the United States unemployment rates, decreased 60 basis points to 8.2%, casting a positive outlook for future job growth.

Total Vacancy/Availability



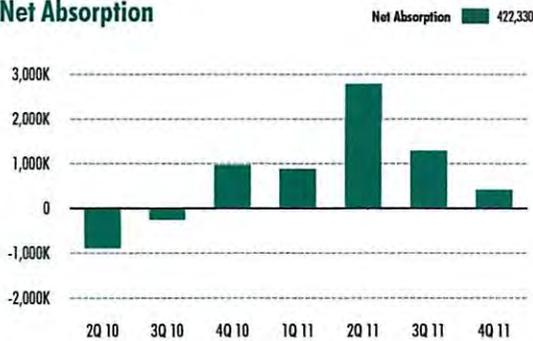
This quarter represented the fifth consecutive quarter of declining vacancy rates, down 70 basis points to 15.2%. Availability rates decreased for the sixth consecutive quarter to 16.5%, representing a 120 basis point decrease. Seven of the ten markets had declines in their overall vacancy, contributing to the overall positive movement. North San Jose showed the largest drop in rates, down 220 basis points in vacancy and 260 basis points in availability. The submarket witnessed high leasing activity on the quarter as Microsemi, A10 Networks, eBay and Kovio all took space upwards of 61,000 SF. Since the fourth quarter of 2010, the overall Silicon Valley R&D market witnessed a 470 basis point drop in availability and vacancy.

Direct Lease Rates



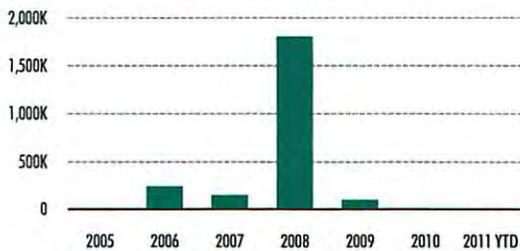
Average asking rates continued to climb for the fourth consecutive quarter, up by 10.2% this quarter and up 30.6% from a year ago. The overall Silicon Valley R&D market posted average asking rates of \$1.41 NNN; rates this high have not been witnessed in the Valley since third quarter of 2008. Seven of the ten submarkets witnessed increasing rates over the quarter. Palo Alto saw the largest spike in its rates, increasing \$1.42 or 48.2% over the quarter to \$4.37 NNN. Santa Clara, North San Jose and Milpitas also contributed large gains, posting increases over 3.5%. Looking into 2012, rates are expected to increase at a similar pace as levels of demand are sustained.

Net Absorption



The Silicon Valley R&D market posted positive net absorption for the fifth consecutive quarter. Net absorption totaled over 422,000 SF, with six of the ten submarkets witnessing an increase in their overall occupancy. These levels were less aggressive than marks set by the first three quarters of the year; however still maintained positive fundamentals within the market. Apple, Inc. and Microsemi contributed a significant portion of the positive absorption on the quarter as both signed new leases on large blocks of space in Sunnyvale and North San Jose. Although net absorption decreased quarter-over-quarter, year-to-date numbers have increased by 6.5 MSF from the fourth quarter of 2010.

Construction Completions



The construction pipeline remains dry in the Silicon Valley R&D market due to an ample supply of available space within the Valley. It has been two years since the last new development hit the R&D market, and as for the near future, little change is expected. However, with elevated demand and decreasing vacancy, specifically in the northern submarkets, there is increasing potential for new projects. As growth continues in the tech industry, and the supply of large spaces continues to dwindle, companies may begin to look at built-to-suit options. Progression on these projects, however, may be slowed until the 2012 presidential elections are over, and financial market volatility has settled.

MarketView Silicon Valley R&D

Market Area Descriptions

- Downtown consists of 0.8 million square feet (0.5%) of the R&D market NRA.
- Meridian consists of 0.3 million square feet (0.2%) of the R&D market NRA.
- N. San Jose consists of 25.3 million square feet (16.4%) of the R&D market NRA.
- I.B.P consists of 9.8 million square feet (6.4%) of the R&D market NRA.
- E. San Jose consists of 0.5 million square feet (0.3%) of the R&D market NRA.
- S. San Jose consists of 9.6 million square feet (6.2%) of the R&D market NRA.
- Milpitas consists of 11.9 million square feet (7.7%) of the R&D market NRA.
- Santa Clara consists of 20.6 million square feet (13.4%) of the R&D market NRA.
- Campbell consists of 1.2 million square feet (0.8%) of the R&D market NRA.
- Los Gatos consists of 0.7 million square feet (0.5%) of the R&D market NRA.
- Cupertino consists of 4.7 million square feet (3.1%) of the R&D market NRA.
- Sunnyvale consists of 22.5 million square feet (14.6%) of the R&D market NRA.
- Mountain View consists of 12.4 million square feet (8.1%) of the R&D market NRA.
- Los Altos consists of 0.01 million square feet (0.0%) of the R&D market NRA.
- Palo Alto consists of 10.1 million square feet (6.6%) of the R&D market NRA.
- Fremont consists of 19.9 million square feet (13.0%) of the R&D market NRA.
- Newark consists of 3.4 million square feet (2.2%) of the R&D market NRA.

Silicon Valley Submarket Map



Local Offices

SAN FRANCISCO PENINSULA
950 Tower Lane
Suite 870
Foster City, CA 94404
1.650.577.2900

OAKLAND
555 12th Street
Suite 900
Oakland, CA 94610
1.510.874.1900

PLEASANTON
5000 Hopyard Road
Suite 180
Pleasanton, CA
94588
1.925.251.4600

SAN FRANCISCO DOWNTOWN
101 California Street
44th Floor
San Francisco, CA 94111
1.415.772.0123

SILICON VALLEY
225 W. Santa Clara Street
10th Floor
San Jose, CA 95113
1.408.453.7400

PALO ALTO
Two Palo Alto Square
3000 El Camino Real
Suite 100
Palo Alto, CA 94306
1.650.949.5100

WALNUT CREEK
2175 N. California Blvd.
Suite 300
Walnut Creek, CA 94596
1.925.296.7700

Available Square Feet

Vacant Square Feet plus space that is marketed as available but not currently vacant, includes sublease space.

Availability Rate

Available Square Feet divided by the NRA.

Average Asking Lease Rate

The rate determined by multiplying the asking triple net lease rate for each building in the summary by its associated NRA, summing the products, then dividing by the sum of the NRA. Rates are reported on a monthly basis.

Triple Net (NNN) Lease

A lease in which the tenant is responsible for all expenses associated with their proportional share of occupancy of the building, including both fixed and variable expenses.

Market Coverage

Includes R&D buildings 7,500 square feet and larger located within defined submarkets.

Net Absorption

The change in Occupied Square Feet from one period to the next.

Net Rentable Area

The gross building square footage minus the elevator core, flues, pipe shafts, vertical ducts, balconies, and stairwell areas.

Occupied Square Feet

Building area not considered vacant.

Under Construction

Buildings which have begun construction as evidenced by foundation work.

Vacancy Rate

Vacant Square Feet divided by the NRA.

Vacant Square Feet

Available square feet which is either physically vacant or immediately available, includes sublease space.

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MarketView Silicon Valley R&D Report

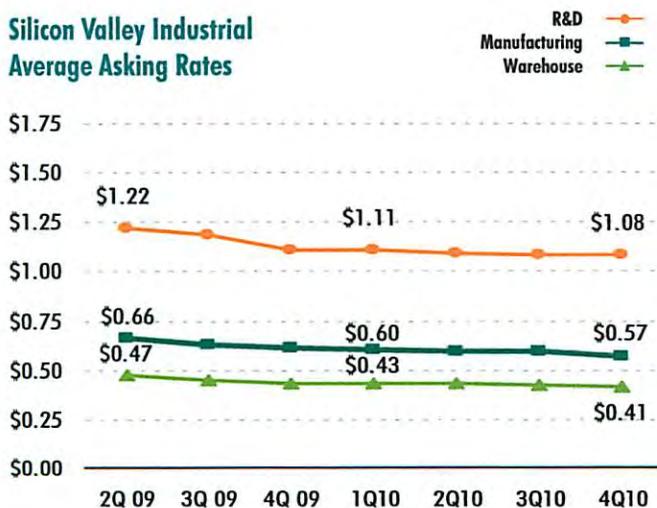
| Submarket | NRA | Total Vacancy % | Total Vacant SF | Total Availability % | Total Direct Available | Total Sublease Available | Average Asking Rate* | Q4 Net Absorption | Q4 Gross Absorption | YTD Net Absorption |
|--------------------------------------|--------------------|-----------------|-------------------|----------------------|------------------------|--------------------------|----------------------|-------------------|---------------------|--------------------|
| San Jose – Downtown/IBP | 10,621,162 | 20.7% | 2,203,454 | 21.5% | 2,062,560 | 226,050 | \$0.70 | (107,637) | 251,490 | 220,509 |
| San Jose – North | 25,687,957 | 21.2% | 5,435,648 | 22.4% | 5,189,771 | 573,239 | \$0.95 | 768,276 | 1,298,532 | (82,265) |
| San Jose – South ¹ | 10,402,370 | 22.7% | 2,358,835 | 22.8% | 2,131,337 | 240,998 | \$0.87 | 305,475 | 339,883 | 136,913 |
| Milpitas | 12,481,583 | 24.4% | 3,047,312 | 26.8% | 2,540,753 | 808,556 | \$0.75 | (88,278) | 131,615 | 20,658 |
| Santa Clara | 20,750,507 | 18.4% | 3,814,331 | 19.6% | 3,768,029 | 307,449 | \$1.15 | 91,445 | 335,683 | (134,583) |
| West Valley ² | 6,590,048 | 9.1% | 597,693 | 10.0% | 620,999 | 36,432 | \$1.98 | 112,030 | 128,509 | 37,470 |
| Sunnyvale | 22,562,644 | 13.7% | 3,099,994 | 16.0% | 3,284,643 | 326,724 | \$1.26 | 141,672 | 737,814 | 200,353 |
| Mountain View/Los Altos | 12,643,185 | 16.9% | 2,130,963 | 18.0% | 1,613,156 | 667,270 | \$1.63 | (184,584) | 176,093 | (175,854) |
| Palo Alto | 8,166,092 | 15.4% | 1,257,257 | 16.1% | 1,142,049 | 168,121 | \$1.65 | 136,079 | 270,761 | (797,692) |
| Fremont/Newark | 23,121,067 | 28.1% | 6,490,961 | 29.2% | 6,490,623 | 262,407 | \$0.67 | (209,093) | 401,592 | (487,614) |
| Silicon Valley R&D Market | 153,026,615 | 19.9% | 30,436,448 | 21.2% | 28,843,920 | 3,617,246 | \$1.08 | 965,385 | 4,071,972 | (1,169,742) |

¹ San Jose – South is comprised of the Meridian, San Jose East and San Jose South submarkets

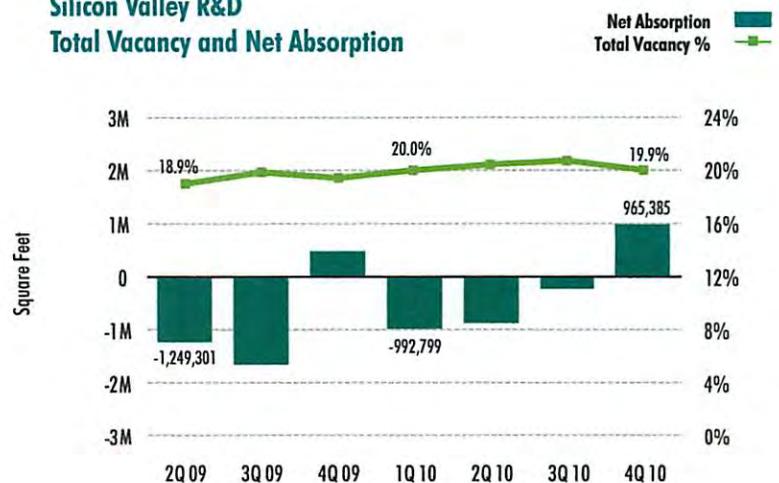
² West Valley is comprised of the Los Gatos, Campbell and Cupertino submarkets

* Direct Monthly Lease Rates, Triple Net (NNN)

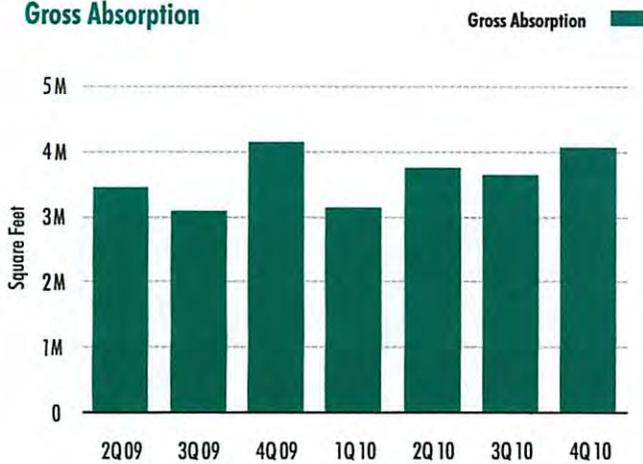
Silicon Valley Industrial Average Asking Rates



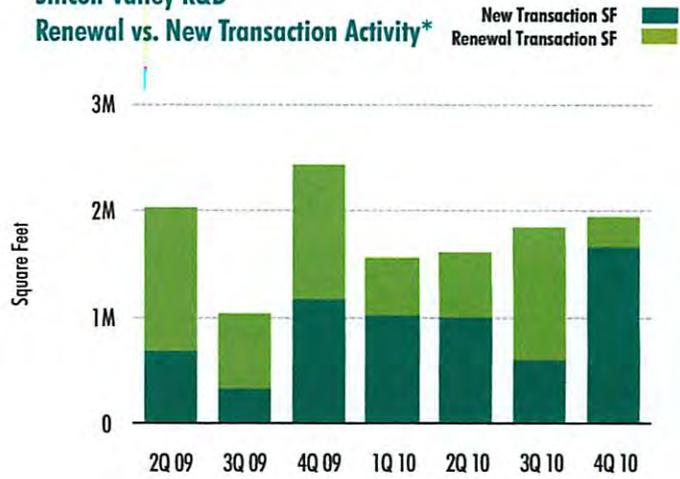
Silicon Valley R&D Total Vacancy and Net Absorption



Silicon Valley R&D Gross Absorption



Silicon Valley R&D Renewal vs. New Transaction Activity*



* In transactions over 25,000 sq. ft.

Significant Lease Transactions of the Quarter

| Lessee | Address | Total SF | Type |
|------------------------|---|----------|-------------|
| Stion Corporation | 6331 San Ignacio Ave, San Jose | 264,719 | Direct |
| SunPower | 51-145 Rio Robles St, San Jose | 185,704 | Direct |
| Trimble Navigation | 935 Stewart Dr & 510 Deguigne Dr, Sunnyvale | 138,874 | Renewal/Exp |
| Alta Devices | 545 Oakmead Pkwy, Sunnyvale | 115,000 | Direct |
| Palo Alto Networks | 3300 Olcott St, Santa Clara | 105,664 | Direct |
| Broadcom | 3100 First St, San Jose | 100,362 | Direct |
| Stanford | 3165 Porter Dr, Palo Alto | 91,644 | Sublease |
| Olympus America Inc | 2400 Ringwood Ave, San Jose | 80,000 | Renewal |
| F5 Networks | 90 Rio Robles St, San Jose | 53,889 | Direct |
| TriQuint Semiconductor | 3099 Orchard Dr, San Jose | 51,505 | Direct |

Significant Sale Transactions of the Quarter

| Buyer | Address | Total SF | Type |
|---------------------|--|----------|----------|
| Maxim | 160 Rio Robles St, San Jose | 434,653 | User |
| Lane Partners | 120-175 San Gabriel Dr, 177 Wolfe Rd & 707 Kifer Rd, Sunnyvale | 270,024 | Investor |
| Menlo Equities, LLC | 510 Cottonwood Dr, Milpitas | 180,667 | Investor |
| Bixby Land Company | 4211 Starboard Dr, Fremont | 129,808 | Investor |
| Kurdex Corporation | 217 Humboldt Ct, Sunnyvale | 60,030 | User |



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MarketView

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Fourth Quarter 2009

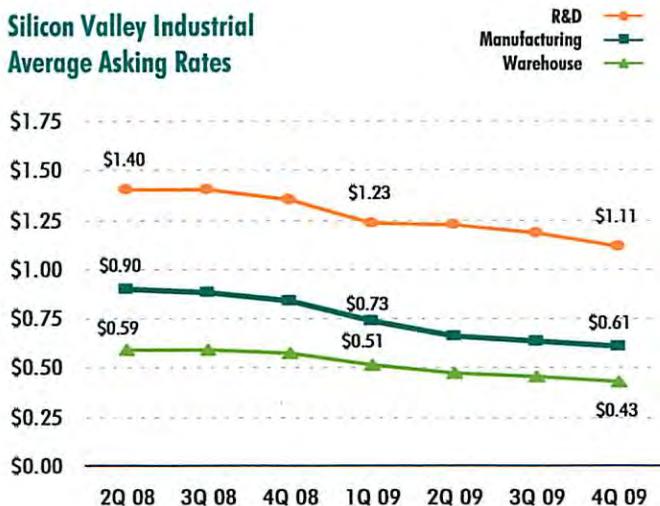
| Submarket | Total Vacancy | | Total Vacant SF | Total Availability | | Total Direct Available | Total Sublease Available | Average Asking Rate* | Q4 Net Absorption | Q4 Gross Absorption | Y-T-D Net Absorption |
|--------------------------------------|--------------------|--------------|-------------------|--------------------|-------------------|------------------------|--------------------------|----------------------|-------------------|---------------------|----------------------|
| | NRA | % | | % | % | | | | | | |
| San Jose – Downtown/IBP | 10,904,115 | 21.3% | 2,324,188 | 21.7% | 2,156,411 | 212,220 | \$0.70 | 20,624 | 227,146 | (515,932) | |
| San Jose – North | 25,347,678 | 19.7% | 4,997,677 | 23.3% | 5,261,523 | 642,295 | \$0.95 | 217,803 | 738,688 | (656,893) | |
| San Jose – South ¹ | 10,550,141 | 24.8% | 2,611,529 | 25.6% | 2,440,617 | 265,440 | \$0.90 | (90,547) | 241,798 | (306,002) | |
| Milpitas | 12,499,875 | 25.1% | 3,136,650 | 25.3% | 2,399,360 | 767,258 | \$0.85 | (29,940) | 161,016 | (461,369) | |
| Santa Clara | 21,043,691 | 16.5% | 3,473,241 | 17.5% | 3,363,707 | 322,640 | \$1.16 | (55,369) | 449,452 | (767,459) | |
| West Valley ² | 6,619,242 | 8.9% | 586,956 | 9.5% | 519,900 | 107,245 | \$1.98 | (10,163) | 146,557 | (22,680) | |
| Sunnyvale | 22,766,463 | 16.3% | 3,711,621 | 17.8% | 3,375,062 | 695,754 | \$1.32 | (190,109) | 849,336 | (943,519) | |
| Mountain View/Los Altos | 12,893,232 | 17.4% | 2,249,524 | 18.8% | 1,481,232 | 940,343 | \$1.63 | 64,672 | 177,761 | (728,331) | |
| Palo Alto | 7,442,125 | 6.8% | 503,065 | 6.8% | 270,244 | 234,204 | \$1.86 | 162,704 | 265,000 | (110,468) | |
| Fremont/Newark | 23,336,889 | 26.6% | 6,216,846 | 28.5% | 6,059,854 | 587,823 | \$0.68 | 387,168 | 897,858 | (409,736) | |
| Silicon Valley R&D Market | 153,403,451 | 19.4% | 29,811,297 | 20.9% | 27,327,910 | 4,775,222 | \$1.11 | 476,843 | 4,154,612 | (4,922,389) | |

¹ San Jose – South is comprised of the Meridian, San Jose East and San Jose South submarkets

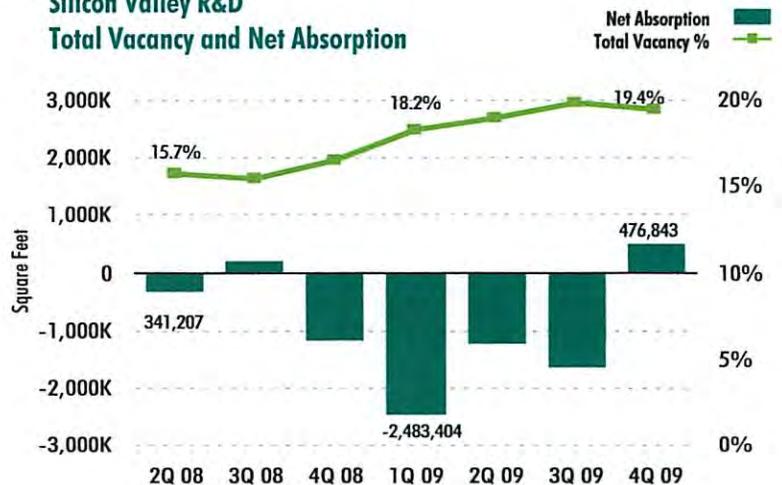
² West Valley is comprised of the Los Gatos, Campbell and Cupertino submarkets

* Direct Monthly Lease Rates, Triple Net (NNN)

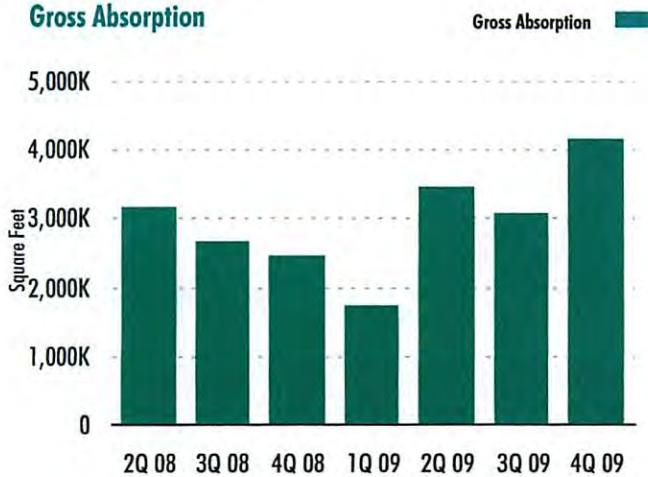
Silicon Valley Industrial Average Asking Rates



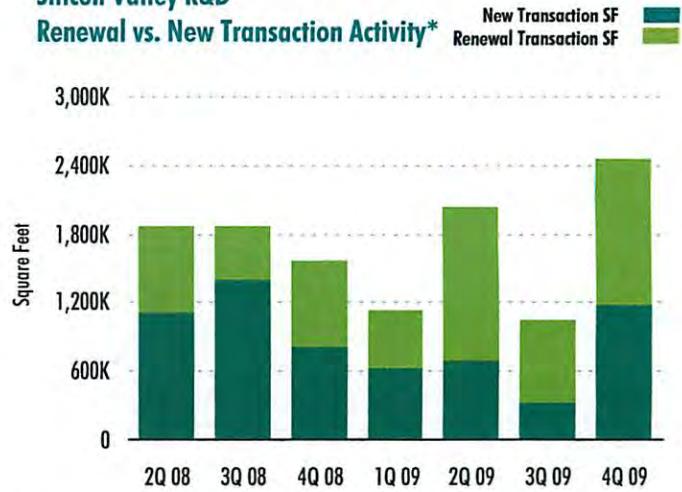
Silicon Valley R&D Total Vacancy and Net Absorption



Silicon Valley R&D Gross Absorption



Silicon Valley R&D Renewal vs. New Transaction Activity*



* In transactions over 25,000 sq. ft.

Significant Lease Transactions of the Quarter

| Lessee | Address | Total SF | Product Type | Type |
|-------------------------|--|----------|--------------|-------------|
| Facebook | 1050 Page Mill Rd, Palo Alto | 265,000 | R&D | Sublease |
| Harmonic, Inc. | 4300 N First St, San Jose | 188,332 | R&D | Direct |
| Harris Stratex Networks | 5200 Great America Pkwy, Santa Clara | 128,540 | R&D | Direct |
| Accuray | 1310 - 1320 Chesapeake Terr, Sunnyvale | 113,616 | R&D | Renewal/Exp |
| Morpho Detection, Inc. | 7151 Gateway Blvd, Newark | 111,926 | R&D | Renewal |
| TSMC | 2585 - 2895 Junction Ave, San Jose | 110,590 | R&D | Renewal |
| Photon Dynamics, Inc. | 5970 Optical Ct, San Jose | 109,800 | R&D | Renewal |
| Western Digital | 1250 Reliance Wy, Fremont | 101,882 | R&D | Sublease |
| Aruba Networks | 1344 Crossman Ave, Sunnyvale | 98,836 | R&D | Renewal/Exp |
| Ultratech, Inc. | 3050 Zanker Rd, San Jose | 97,910 | R&D | Renewal |

Significant Sale Transactions of the Quarter

| Buyer | Address | Total SF | Product Type | Type |
|----------------------------|--|----------|--------------|------------|
| Mentor Graphics | 46859 - 46885 Bayside Pkwy, Fremont | 196,000 | R&D | User |
| Digital Realty Trust, Inc. | 1350 - 1380 Duane Ave & 3080 Raymond St, Santa Clara | 185,000 | R&D | Investment |
| Micrel | 2180 Fortune Dr, San Jose | 57,000 | R&D | User |
| GSI Technology, Inc. | 1213 Elko Dr, Sunnyvale | 44,277 | R&D | User |
| SVOTek | 44141 - 44153 S Grimmer Blvd, Fremont | 21,791 | R&D | User |

Significant Construction

| Project | City | Total SF | % Pre Committed |
|----------------|---------|----------|-----------------|
| Solyndra Fab 2 | Fremont | 606,000 | 100% |

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Quick Stats

| | Current | Change from last | |
|--------------------------|---------|------------------|------|
| | | Yr. | Qtr. |
| Total Vacancy | 19.4% | ↑ | ↓ |
| Direct Lease Rate | \$1.11 | ↓ | ↓ |
| Net Absorption | 476,843 | ↑ | ↑ |
| Construction Completions | 0 | ↔ | ↔ |

*The arrows indicate a trend and do not represent a positive or negative value for the underlying statistic (e.g. Net Absorption could be negative, but still represent a positive trend over the time period.)

Hot Topics

- Market-wide vacancy decreases 40 basis points to 19.4%
- Positive net absorption for the first time since 3Q 08
- > 4.1 million SF of gross absorption
- Average asking rates decrease ~ 6%

The close of the fourth quarter showed signs of improvement as the Silicon Valley R&D market posted positive absorption for the first time in over a year. Activity in both sales and leasing was healthier compared to past quarters. However, although signs of stabilization are beginning to appear, recovery is expected to remain slow and moderate at best as unemployment will likely remain at an elevated level through 2010. That being said, it appears that the economy has hit bottom and the coming year may bring a return of positive market fundamentals to the Silicon Valley.

Positive net absorption totaled approximately 476,843 SF in the fourth quarter and vacancy declined for the first time since the third quarter of 2008 by decreasing 40 basis points to 19.4%. There were only a few large blocks of vacant space to hit the market this quarter and only one topped 100,000 SF. The largest vacant space to hit the market was due to Abbott Labs vacating approximately 117,000 SF at 5301 Patrick Henry in Santa Clara. Over the past year the majority of large vacant buildings have been delivered to the market; however, there are still a few significant vacancies that have yet to hit the market. For instance, KLA Tencor and Atmel could potentially deliver over 725,000 SF of vacant space within the first half of 2010.

The trend of consolidations and renewals continued well into the fourth quarter of 2009 as six of the top 10 lease transactions were renewals. Nevertheless, there were still significant direct and sublease

transactions signed in December confirming that companies are beginning to regain confidence in the economy as well as take advantage of potentially short lived rock bottom rental rates for premium R&D space. Facebook recently expanded its Palo Alto footprint by subleasing 265,000 SF at 1050 Page Mill Rd and Harmonic Inc. recently consolidated its Sunnyvale headquarters to approximately 188,000 SF at 4300 N. First St. in San Jose. The previously owned Cisco building had been vacant for the past eight years.

Digital Realty Trust, Inc purchased two buildings in Santa Clara; it was the lone investment sale in the fourth quarter. The combined buildings total 185,000 SF and were 100% leased at the time of purchase.

Asking lease rates fell moderately as they dropped a nominal 6% to \$1.11 NNN on average. This is the lowest average asking rates have been since 2007. Asking rates will likely continue to remain low until there is a consistent decrease in vacancy.

Decreasing vacancy and positive absorption levels are some encouraging signs of things to come. The large amount of vacant space that hit the market in 2009 has been noteworthy, yet overall tenant demand is at its highest point since 2007. Although we may still be some time away from a significant recovery, the modest improvement in market fundamentals is positive news after enduring one of the toughest years of the decade.

Total Vacancy vs. Net Absorption

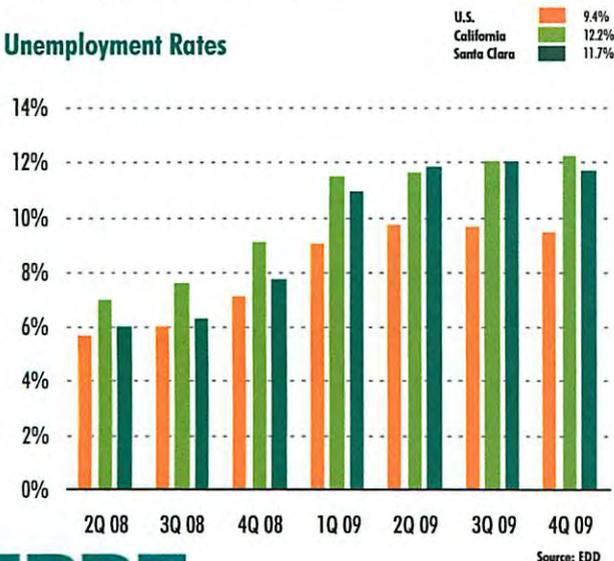


Market Statistics

| Submarket | Net Rentable Area | Total Vacancy % | Total Availability % | Average Asking Rate | Q4 Net Absorption | YTD Net Absorption | Under Construction |
|---------------------------|--------------------|-----------------|----------------------|---------------------|-------------------|--------------------|--------------------|
| San Jose Downtown | 771,479 | 5.4% | 5.4% | \$1.00 | (116) | (14,040) | 0 |
| Meridian | 266,600 | 12.5% | 12.5% | \$1.11 | 0 | 39,031 | 0 |
| San Jose - North | 25,347,678 | 19.7% | 23.3% | \$0.95 | 217,803 | (656,893) | 0 |
| IBP | 10,132,636 | 22.5% | 23.0% | \$0.68 | 20,740 | (501,892) | 0 |
| San Jose - East | 472,658 | 7.7% | 7.7% | \$0.99 | 1,128 | (13,414) | 0 |
| San Jose - South | 9,810,883 | 25.9% | 26.9% | \$0.89 | (91,675) | (331,619) | 0 |
| Milpitas | 12,499,875 | 25.1% | 25.3% | \$0.85 | (29,940) | (461,369) | 0 |
| Santa Clara | 21,043,691 | 16.5% | 17.5% | \$1.16 | (55,369) | (767,459) | 0 |
| Campbell | 1,196,098 | 27.4% | 27.4% | \$1.29 | (6,939) | (29,490) | 0 |
| Los Gatos | 658,627 | 12.7% | 12.7% | \$1.26 | (11,565) | (7,609) | 0 |
| Cupertino | 4,764,517 | 3.7% | 4.5% | \$2.25 | 8,341 | 14,419 | 0 |
| Sunnyvale | 22,766,463 | 16.3% | 17.8% | \$1.32 | (190,109) | (943,519) | 0 |
| Mountain View | 12,880,906 | 17.5% | 18.8% | \$1.63 | 64,672 | (728,331) | 0 |
| Los Altos | 12,326 | 0.0% | 0.0% | \$1.63 | 0 | 0 | 0 |
| Palo Alto | 7,442,125 | 6.8% | 6.8% | \$1.86 | 162,704 | (110,468) | 0 |
| Santa Clara County | 130,066,562 | 18.1% | 19.6% | \$1.19 | 89,675 | (4,512,653) | 0 |
| Fremont/Newark | 23,336,889 | 26.6% | 28.5% | \$0.68 | 387,168 | (409,736) | 606,000 |
| Silicon Valley | 153,403,451 | 19.4% | 20.9% | \$1.11 | 476,843 | (4,922,389) | 606,000 |

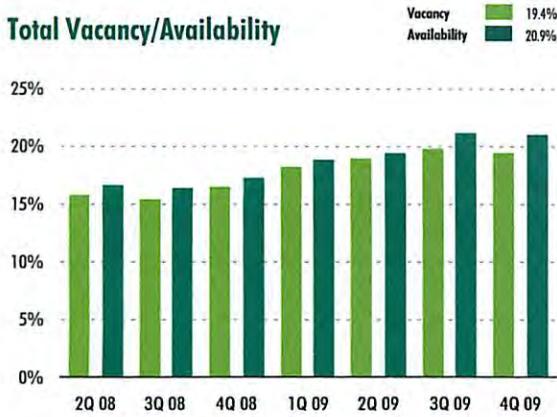
* Direct Monthly Lease Rates, Triple Net (NNN)

Unemployment Rates



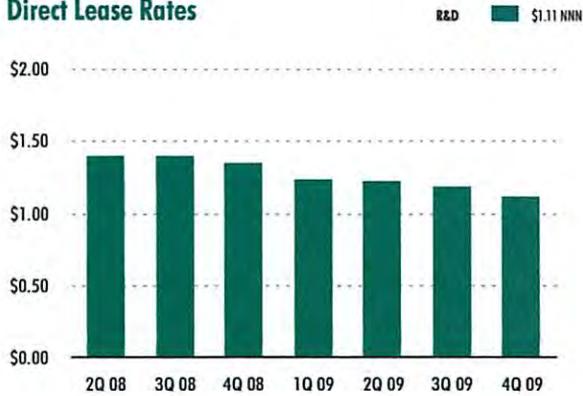
The unemployment rate for Santa Clara County decreased over the quarter to 11.7%; this marks a 30 basis point decrease from last quarter and a 400 basis point increase from this time last year. The California Employment Development Department reported that over the last year Santa Clara County has lost 42,700 jobs. Manufacturing was hit the hardest as it shed 13,700 jobs, primarily within computer and electronic products. However, employment in the local public schools sector grew the most as this sector gained 1,300 jobs. In addition, private health care and social assistance also grew as these sectors gained 1,000 jobs respectively. The unemployment rate for the state also remained at an elevated level. California's unemployment rate increased 20 basis points to 12.2%, the highest since current record-keeping began in 1976. From September to November, California shed 78,100 jobs and year-over-year job losses total 883,600. The national unemployment witnessed a moderate decrease as it dropped 20 basis points from Q3'09 figures to 9.4%.

Total Vacancy/Availability



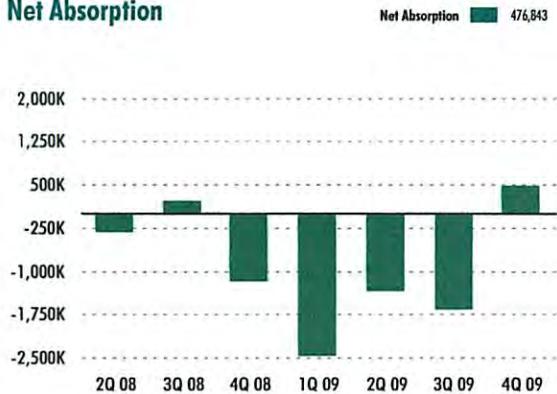
The average vacancy and availability rates for the Silicon Valley R&D market decreased 40 and 20 basis points from last quarter to 19.4% and 20.9%, respectively, the first decrease in either category since the third quarter of 2008. The largest decrease in vacancy occurred in Fremont, which experienced a 220 basis point decrease from last quarter to 23.5%. A large contributor to this drop in vacancy was the user sale of three buildings from TMG Partners to Mentor Graphics for 196,000 SF. North San Jose also experienced declining vacancy as it dropped 90 basis points from last quarter to 19.7%, due in large part to Harmonic Inc. leasing 188,000 SF at 4300 N First St. Downtown/IBP, Mountain View, and Palo Alto were the other submarkets that saw declining vacancy rates.

Direct Lease Rates



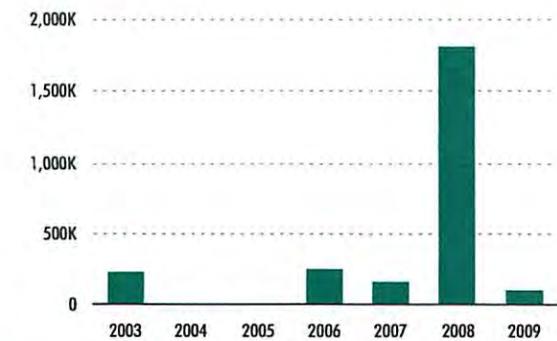
Average asking lease rates in the Silicon Valley R&D market decreased \$0.07 over the quarter to \$1.11 NNN; this marks a 6% decrease from last quarter and an 18% decrease from this time last year. The Palo Alto submarket experienced the steepest decline, dropping \$0.24 to \$1.86 NNN; an 11% decrease from last quarter. Fremont/Newark and South San Jose submarkets also experienced steep declines, dropping \$0.07 and \$0.09 respectively to \$0.68 NNN and \$0.89 NNN; a 9% decrease compared to last quarter. Furthermore, North San Jose average asking rates also dropped \$0.08 to \$0.95 NNN; this marks an 8% decrease from third quarter rates. Over the course of 2009, the market witnessed numerous declines in average asking rates across the board with the steepest drops recorded in the first three quarters of the year. This trend of decreasing rents may continue, but at a slower pace.

Net Absorption



The Silicon Valley R&D market posted 476,843 SF of net absorption in the fourth quarter. The Fremont/Newark submarket posted the greatest amount of positive absorption as the market absorbed over 387,000 SF of vacant space over the quarter. Western Digital subleased 101,882 SF on 1250 Reliance Wy. Following Fremont/Newark, North San Jose posted over 217,000 SF of positive absorption. In addition, Palo Alto ended the year with positive absorption greater than 162,000 SF. Facebook subleased 265,000 SF at 1050 Page Mill Rd. Sunnyvale was the hardest hit with 190,109 SF of negative net absorption; a large contributor was Synplicity vacating approximately 67,000 SF at 600 W California Ave.

Construction Completions



Solyndra continues its construction in Fremont on the 606,000 SF project located near its current facility on Kato Rd. Solyndra currently estimates the construction will employ over 3,000 people, and the ongoing operation will create an additional 1,000 jobs. Overall in 2009, there was only 100,000 SF of construction completions. Of the 100,000 SF of new product delivered to the market in 2009, 100% remains vacant. With unemployment at elevated levels most developers/investors do not have any incentive to initiate new projects in the R&D sector.

MarketView Silicon Valley R&D

Market Area Descriptions

- Downtown consists of 0.8 million square feet (0.5%) of the R&D market NRA.
- Meridian consists of 0.3 million square feet (0.2%) of the R&D market NRA.
- N. San Jose consists of 25.3 million square feet (16.5%) of the R&D market NRA.
- I.B.P consists of 10.1 million square feet (6.6%) of the R&D market NRA.
- E. San Jose consists of 0.5 million square feet (0.3%) of the R&D market NRA.
- S. San Jose consists of 9.8 million square feet (6.4%) of the R&D market NRA.
- Milpitas consists of 12.5 million square feet (8.1%) of the R&D market NRA.
- Santa Clara consists of 21.1 million square feet (13.7%) of the R&D market NRA.
- Campbell consists of 1.2 million square feet (0.8%) of the R&D market NRA.
- Los Gatos consists of 0.7 million square feet (0.4%) of the R&D market NRA.
- Cupertino consists of 4.8 million square feet (3.1%) of the R&D market NRA.
- Sunnyvale consists of 22.8 million square feet (14.8%) of the R&D market NRA.
- Mountain View consists of 12.9 million square feet (8.4%) of the R&D market NRA.
- Los Altos consists of 0.01 million square feet (0.0%) of the R&D market NRA.
- Palo Alto consists of 7.4 million square feet (5.0%) of the R&D market NRA.
- Fremont consists of 19.8 million square feet (12.9%) of the R&D market NRA.
- Newark consists of 3.5 million square feet (2.3%) of the R&D market NRA.

Silicon Valley Submarket Map



Local Offices

**SAN FRANCISCO
PENINSULA**
950 Tower Lane
Suite 870
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Available Square Feet

Vacant Square Feet plus space that is marketed as available but not currently vacant, includes sublease space.

Availability Rate

Available Square Feet divided by the NRA.

Average Asking Lease Rate

The rate determined by multiplying the asking triple net lease rate for each building in the summary by its associated NRA, summing the products, then dividing by the sum of the NRA. Rates are reported on a monthly basis.

Triple Net (NNN) Lease

A lease in which the tenant is responsible for all expenses associated with their proportional share of occupancy of the building, including both fixed and variable expenses.

Market Coverage

Includes R&D buildings 7,500 square feet and larger located within defined submarkets.

Net Absorption

The change in Occupied Square Feet from one period to the next.

Net Rentable Area

The gross building square footage minus the elevator core, flues, pipe shafts, vertical ducts, balconies, and stairwell areas.

Occupied Square Feet

Building area not considered vacant.

Under Construction

Buildings which have begun construction as evidenced by foundation work.

Vacancy Rate

Vacant Square Feet divided by the NRA.

Vacant Square Feet

Available square feet which is either physically vacant or immediately available, includes sublease space.

MarketView Silicon Valley R&D

Quick Stats

| | Current | Change from last | |
|--------------------------|---------|------------------|------|
| | | Yr. | Qtr. |
| Vacancy | 16.5% | ↑ | ↑ |
| Lease Rates | \$1.35 | ↑ | ↓ |
| Net Absorption* | (1.1M) | ↓ | ↓ |
| Construction Completions | 196.5K | ↑ | ↑ |

*The Quick Stats arrows are trend indicators over the specified time period and do not represent a positive or negative value. (E.g. absorption could be negative, but still represent a positive trend over a specific period)

Hot Topics

- YTD negative net absorption of 805,671 sq. ft.
- Vacancy stands at 16.5%, the highest rate seen since Q2'06
- Santa Clara experienced positive absorption >47,000 sq. ft.
- >196,000 sq. ft. of construction completed in Fremont and Palo Alto

The Silicon Valley R&D market felt the impact of a weakening economy in the fourth quarter as negative absorption exceeded 1.1 million sq. ft. The commercial real estate market is finally beginning to feel the effects of the layoffs, bankruptcies and economic uncertainty in the U.S. However, that being said, Silicon Valley still remains a favored market as it has proven to be resilient compared to surrounding competitive markets.

Gross absorption fell below three million sq. ft. for the second time since 2006, while vacancy rates increased 110 basis points to 16.5%; the highest rate seen in Silicon Valley since the second quarter of 2006. Despite increasing vacancy the Silicon Valley still saw many large lease transactions from companies such as TSMC North America, Austra Solar, Synaptics, and Aurora Networks, all over 60,000 sq. ft.

Investment sales have slowed considerably over the last two quarters as buyers remain cautious of current financial market turmoil. There were only four investment sales recorded during the fourth quarter, all of which were scattered across the Silicon Valley from Fremont to Cupertino. Favorably located properties that can boast high tenancy with long term leases appear to be garnering attention from well qualified buyers. Among the largest investment sale transactions this quarter, Google topped the list by purchasing the Mountain View

Life Sciences Portfolio totaling over 238,000 sq. ft. The portfolio consists of four properties and the project was 100% leased at the time of purchase. Levy Fremont Boulevard purchased 3 buildings totaling 181,560 sq. ft. located at 48401 – 48481 Fremont Blvd. The buildings were 28% leased at the time of purchase. Also, Apple topped the list of the largest user sale transactions by purchasing 293,407 sq. ft. from Hewlett Packard.

Average asking rates dropped 4% to \$1.35 NNN, marking the first decline in average rates since the fourth quarter of 2004. Landlords have begun offering tenants more concessions such as tenant improvements and free rent in order to prevent a sudden decline in asking rates. With vacancy and availability rates rising it is expected that the Silicon Valley will continue to see increased pressure on rates and reduced activity levels for the next few quarters or until demand rebounds.

Increasing unemployment and the effects of the recession appear to have finally caught up with the Silicon Valley R&D market. It is predicted that large blocks of sublease space will hit the market in the near future as a result of companies contracting or going out of business. However, as demand for technology based product continues and venture capital spending maintains respectable levels, the Silicon Valley R&D sector will continue to fare well compared to similar markets.

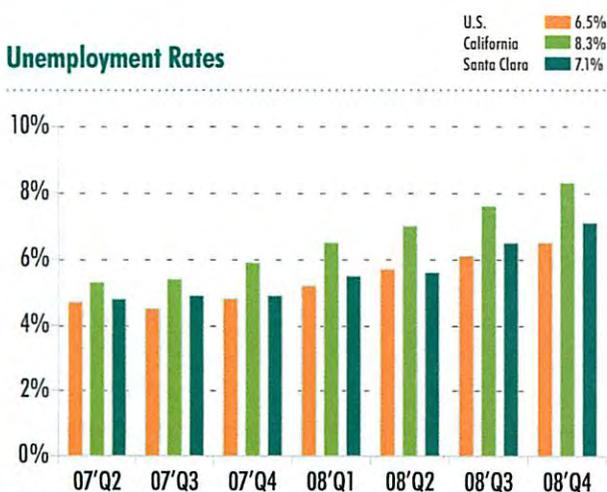
Vacancy vs. Absorption



Market Statistics

| Submarket | Net Rentable Area | Total Vacancy Rate | Total Availability Rate | Avg. Asking Rate | Q4 Net Absorption | YTD Net Absorption | Construction |
|---------------------------|--------------------|--------------------|-------------------------|------------------|--------------------|--------------------|--------------|
| San Jose Downtown | 1,814,252 | 2.6% | 2.6% | \$1.10 | 2,600 | (10,000) | 0 |
| Meridian | 295,234 | 24.5% | 24.5% | \$1.11 | 0 | (21,181) | 0 |
| North San Jose | 24,564,166 | 18.2% | 19.2% | \$1.09 | (236,247) | 221,316 | 0 |
| I.B.P. | 10,193,854 | 17.9% | 18.5% | \$0.79 | (60,882) | (312,581) | 0 |
| East San Jose | 435,258 | 5.3% | 6.1% | \$0.99 | 6,000 | (3,027) | 0 |
| South San Jose | 9,843,676 | 23.6% | 23.6% | \$1.17 | 1,298 | 514,407 | 0 |
| Milpitas | 12,531,324 | 21.5% | 22.4% | \$1.03 | (273,307) | (59,278) | 0 |
| Santa Clara | 21,328,989 | 12.1% | 12.2% | \$1.50 | 47,817 | 156,040 | 0 |
| Campbell | 1,176,741 | 25.3% | 25.3% | \$1.75 | (38,561) | (124,100) | 0 |
| Los Gatos | 673,627 | 11.3% | 11.3% | \$1.75 | (16,964) | (24,761) | 0 |
| Cupertino | 4,817,265 | 4.0% | 4.3% | \$2.25 | 1,000 | 95,038 | 0 |
| Sunnyvale | 23,357,683 | 11.4% | 12.7% | \$1.59 | (71,741) | 8,532 | 0 |
| Mountain View | 12,941,154 | 13.2% | 15.1% | \$1.92 | (243,052) | (427,175) | 0 |
| Los Altos | 12,326 | 0.0% | 0.0% | \$1.75 | 0 | 0 | 0 |
| Palo Alto | 7,750,607 | 5.1% | 6.4% | \$2.75 | (142,838) | (284,648) | 0 |
| Santa Clara County | 131,736,156 | 14.7% | 15.5% | \$1.45 | (1,024,877) | (271,418) | 0 |
| Fremont/Newark | 22,920,477 | 26.5% | 26.8% | \$0.78 | (163,622) | (534,253) | 0 |
| Silicon Valley | 154,656,633 | 16.5% | 17.2% | \$1.35 | (1,188,499) | (805,671) | 0 |

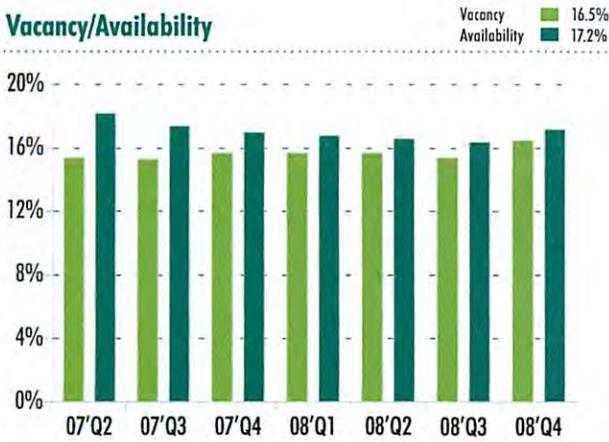
Unemployment Rates



Source: EDD

National real GDP decreased at an annual rate of 0.5% in the third quarter of 2008 according to estimates released by the Bureau of Economic Analysis. The decrease in real GDP reflected negative contributions from residential fixed investment, personal consumption expenditures, and equipment and software. These were slightly offset by positive contributions to real GDP from private inventory investment, nonresidential structures, exports, federal government spending, and state and local government spending. The Santa Clara county labor force has decreased by 3,100 since October to 884,700; directly translating to the unemployment rate increasing 20 basis points to 7.1%. The unemployment rate for California increased to 8.3% from 7.5% and the national unemployment rate increased 50 basis points to 6.5%.

Vacancy/Availability



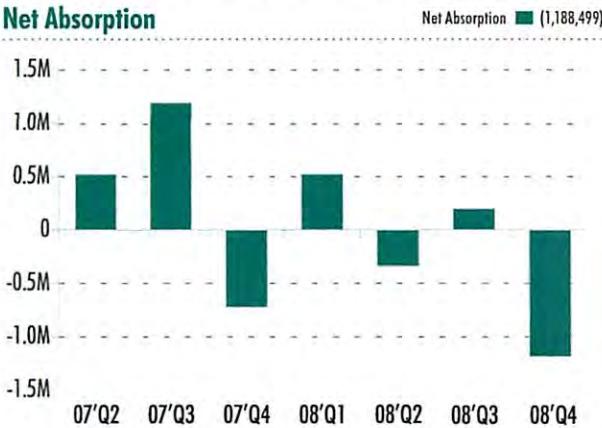
The average vacancy rate for the Silicon Valley R&D market increased 110 basis points from last quarter to 16.5%, the highest vacancy rate seen since the second quarter of 2006. The largest increase in vacancy occurred in Mountain View which experienced a 380 basis point increase from last quarter to 13.2%. Google's decision to sublease three buildings was a large contributor to this spike in vacancy. Palo Alto also experienced an increase in vacancy rising 280 basis points to 5.1% due in large part to Beckman Coulter adding 222,025 sq. ft. of sublease space at 1050 Page Mill Rd. In contrast, the Santa Clara submarket experienced the largest decrease in vacancy by declining 40 basis points to 12.1% due to several large transactions.

Lease Rates



Average asking lease rates in the Silicon Valley R&D decreased \$0.05 over the quarter to \$1.35 NNN; this marks a 4% decrease in the last quarter. North San Jose average asking rates experienced the steepest decline, dropping \$0.11 to \$1.09 NNN; a 10% decrease compared to last quarter. Milpitas average asking rates also declined by dropping \$0.07 to \$1.03 NNN; marking a 10% decrease from third quarter rates. Fremont and Newark remain the most affordable at \$0.79 and \$0.73 NNN respectively. As transaction velocity declines expect landlords to offer more concessions in hopes of keeping rents up.

Net Absorption



The Silicon Valley R&D market recorded negative net absorption posting 1,188,499 sq. ft. in the fourth quarter. Santa Clara saw the highest positive net absorption with 47,817 sq. ft. Transactions with Aurora Networks for 61,358 sq. ft. and ZillionTV for 57,649 sq. ft. were major contributors to this submarket. In contrast, Milpitas and Mountain View experienced the largest negative net gains this quarter posting negative 273,307 sq. ft. and 243,052 sq. ft. respectively. North San Jose also experienced significant negative net absorption of 236,247 sq. ft.

New Construction



Given the existing availabilities of R&D product in the market, investors and landlords do not have an incentive to initiate new projects in the R&D sector at this time. However, construction at 6750 Dumbarton Circle located along Highway 84 reached completion and delivered approximately 118,535 sq. ft. to the Fremont submarket. The two-story Peery Arrillaga project is 100% vacant and ready for occupancy. Construction at 3420 Hillview Ave in Palo Alto also reached completion and delivered 78,000 sq. ft. to the Palo Alto market. The single story structure is 100% fully leased to SAP.

MarketView Silicon Valley R&D

Market Area Descriptions

- Downtown consists of 1.8 million square feet (1.2%) of the R&D market NRA.
- Meridian consists of 0.2 million square feet (0.2%) of the R&D market NRA.
- N. San Jose consists of 24.5 million square feet (15.9%) of the R&D market NRA.
- I.B.P consists of 10.1 million square feet (6.6%) of the R&D market NRA.
- E. San Jose consists of 0.4 million square feet (0.3%) of the R&D market NRA.
- S. San Jose consists of 9.8 million square feet (6.4%) of the R&D market NRA.
- Milpitas consists of 12.5 million square feet (8.1%) of the R&D market NRA.
- Santa Clara consists of 21.3 million square feet (13.8%) of the R&D market NRA.
- Campbell consists of 1.1 million square feet (0.8%) of the R&D market NRA.
- Los Gatos consists of 0.6 million square feet (0.4%) of the R&D market NRA.
- Cupertino consists of 4.8 million square feet (3.1%) of the R&D market NRA.
- Sunnyvale consists of 23.3 million square feet (15.1%) of the R&D market NRA.
- Mountain View consists of 12.9 million square feet (8.4%) of the R&D market NRA.
- Los Altos consists of 0.01 million square feet (0.0%) of the R&D market NRA.
- Palo Alto consists of 7.7 million square feet (5.0%) of the R&D market NRA.
- Fremont consists of 19.4 million square feet (12.6%) of the R&D market NRA.
- Newark consists of 3.4 million square feet (2.3%) of the R&D market NRA.

Silicon Valley Submarket Map



Local Offices

SAN FRANCISCO PENINSULA

950 Tower Lane
Suite 870
Foster City, CA 94404
1.650.577.2900

OAKLAND

555 12th Street
Suite 900
Oakland, CA 94610
1.510.874.1900

PLEASANTON

5000 Hopyard Road
Suite 180
Pleasanton, CA
94588
1.925.251.4600

SAN FRANCISCO

DOWNTOWN
101 California Street
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1.415.772.0123

SILICON VALLEY

225 W. Santa Clara Street
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PALO ALTO

Two Palo Alto Square
3000 El Camino Real
Suite 100
Palo Alto, CA 94306
1.650.494.5100

WALNUT CREEK

2175 N. California Blvd.
Suite 300
Walnut Creek, CA 94596
1.925.296.7700

Available Square Feet

Vacant Square Feet plus space that is marketed as available but not currently vacant, includes sublease space.

Availability Rate

Available Square Feet divided by the NRA.

Average Asking Direct Lease Rate

The rate determined by multiplying the asking full service lease rate for each building in the summary by its associated NRA, summing the products, then dividing by the sum of the NRA. Rates are reported on a monthly basis.

Full Service Leases

Includes all types whereby the Landlord assumes responsibility for most or all of the operating expenses and taxes for the property, including utilities, insurance and/or maintenance expenses.

Market Coverage

Includes R&D buildings 7,500 square feet and larger located within defined submarkets.

Net Absorption

The change in Occupied Square Feet from one period to the next.

Net Rentable Area

The gross building square footage minus the elevator core, flues, pipe shafts, vertical ducts, balconies and stairwell areas.

Occupied Square Feet

Building Area not considered vacant.

Under Construction

Buildings which have begun construction as evidenced by foundation work.

Vacancy Rate

Vacant Square Feet divided by the NRA.

Vacant Square Feet

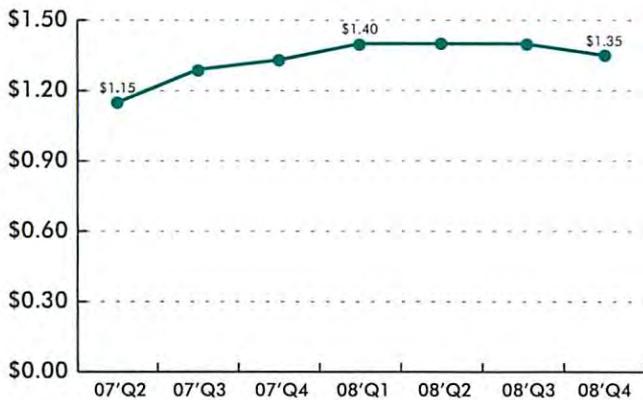
Available square feet which is either physically vacant or immediately available, includes sublease space.

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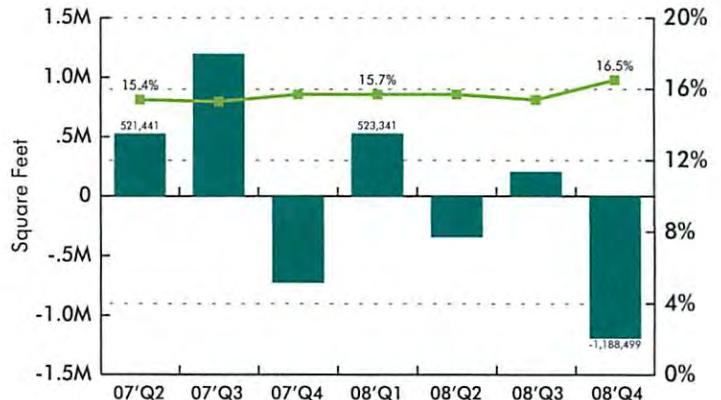
| Submarkets | NRA | Total Vacancy Rate | Total Vacant SF | Total Availability Rate | Total Direct Available | Total Sublease Available | Average Asking Rates | Q4 Net Absorption | Q4 Gross Absorption | Y-T-D Absorption |
|--------------------------------------|--------------------|--------------------|-------------------|-------------------------|------------------------|--------------------------|----------------------|--------------------|---------------------|------------------|
| San Jose – Downtown/IBP | 12,008,106 | 15.6% | 1,876,446 | 16.1% | 1,756,497 | 181,556 | \$0.84 | (58,282) | 136,634 | (322,581) |
| San Jose – North | 24,564,166 | 18.2% | 4,480,662 | 19.2% | 4,407,725 | 299,556 | \$1.09 | (236,247) | 366,634 | 221,316 |
| San Jose - Meridian/East/South | 10,574,168 | 22.9% | 2,417,018 | 22.9% | 1,841,417 | 579,249 | \$1.16 | 7,298 | 36,634 | 490,199 |
| Milpitas | 12,531,324 | 21.5% | 2,698,168 | 22.4% | 2,075,219 | 734,161 | \$1.03 | (273,307) | 35,132 | (59,278) |
| Santa Clara | 21,328,989 | 12.1% | 2,577,196 | 12.2% | 2,223,277 | 377,720 | \$1.50 | 47,817 | 386,572 | 156,040 |
| West Valley* | 6,679,959 | 8.4% | 564,276 | 8.7% | 498,459 | 84,361 | \$2.11 | (54,525) | 313,440 | (53,823) |
| Sunnyvale | 23,357,683 | 11.4% | 2,666,634 | 12.7% | 2,527,334 | 432,924 | \$1.59 | (71,741) | 386,527 | 8,532 |
| Mountain View | 12,941,154 | 13.2% | 1,708,596 | 15.1% | 951,875 | 1,003,814 | \$1.92 | (243,052) | 316,140 | (427,175) |
| Palo Alto | 7,750,607 | 5.1% | 398,395 | 6.4% | 143,897 | 348,328 | \$2.75 | (142,838) | 46,298 | (284,648) |
| Fremont/Newark | 22,920,477 | 26.5% | 6,084,625 | 26.8% | 5,554,741 | 597,251 | \$0.78 | (163,622) | 438,861 | (534,253) |
| Silicon Valley R&D Market | 154,656,633 | 16.5% | 25,472,016 | 17.2% | 21,980,441 | 4,638,920 | \$1.35 | (1,188,499) | 2,462,872 | (805,671) |

* West Valley is comprised of the Los Gatos, Campbell, Cupertino and Los Atlos Markets

Silicon Valley Average Asking Rates



Silicon Valley Vacancy and Net Absorption



Significant Lease Transactions of the Quarter

| Lessee | Address | Total SF | Product Type | Type |
|--------------------------|------------------------------------|----------|--------------|----------|
| TSMC North America | 2585 - 2595 Junction Ave, San Jose | 110,590 | R&D | Renewal |
| Ausra Solar | 303 Ravendale Dr, Mt. View | 67,000 | R&D | Direct |
| Synaptics | 2251 Lawson Ln, San Jose | 62,500 | R&D | Direct |
| Aurora Networks | 5400 Betsy Ross Dr, Santa Clara | 61,358 | R&D | Direct |
| Payment Processing, Inc. | 8200 Central Ave, Newark | 59,020 | R&D | Renewal |
| Conceptus | 331 E Evelyn Ave, Mt. View | 58,242 | R&D | Renewal |
| ZillionTV | 1170 Kifer Rd, Santa Clara | 57,649 | R&D | Sublease |
| FM Industries | 221 - 231 E Warren Ave, Fremont | 57,360 | R&D | Renewal |
| General Electric Capital | 2300 - 2320 Owen St, Santa Clara | 46,621 | R&D | Direct |
| Silicon Labs | 940 Stewart Dr, Sunnyvale | 44,702 | R&D | Direct |

Significant Sale Transactions of the Quarter

| Buyer | Address | Total SF | Product Type | Type |
|------------------------------------|--|----------|--------------|----------|
| Apple | 19333 Vallco Pkwy, Cupertino | 293,407 | R&D | User |
| Google | Mt. View Life Sciences Portfolio, Mt. View | 238,809 | R&D | Investor |
| Levy Fremont Boulevard I & II, LLC | 48401 Fremont Blvd, Fremont | 181,560 | R&D | Investor |
| KBS Realty | 350 E Plumeria Dr, San Jose | 142,700 | R&D | Investor |
| Menlo Equities Associates | 18880 Homestead Rd, Cupertino | 101,373 | R&D | Investor |
| Intuitive Surgical | 1450 Kifer Rd, Sunnyvale | 78,181 | R&D | User |

QUICK STATS

| | Change from last | | |
|--------------------------|------------------|-----|------|
| | Current | Yr. | Qtr. |
| Vacancy | 15.7% | ↔ | ↑ |
| Lease Rates | \$1.33 | ↑ | ↑ |
| Net Absorption* | -723.8K | ↓ | ↓ |
| Construction Completions | 0 | ↓ | ↔ |

* The Quick Stats arrows are trend indicators over the specified time period and do not represent a positive or negative value. (E.g. absorption could be negative, but still represent a positive trend over a specific period)

HOT TOPICS

- YTD net absorption of positive 520,120 square feet.
- Eighth consecutive quarter of increased average asking rates and highest annual average asking rates since 2002.
- Four consecutive quarters of > three million square feet in gross absorption.
- Over 214,000 square feet of construction expected to reach completion in 2008.

The Silicon Valley R&D market continued its stabilization through the end of 2007, providing a positive outlook as market fundamentals tightened further. Investors remain cautiously optimistic leasing demand will continue to accelerate, but at a more modest pace. Vacancy levels inched up to 15.7% as the market posted 723,787 square feet of negative net absorption; lowering the year-to-date total to over a half a million square feet of positive net absorption. Gross absorption eclipsed three million square feet for the fourth consecutive quarter and stands above 14.9 million square feet for 2007; all due to large lease transactions from valley stalwarts such as Cisco, Google, Yahoo, and Netgear. New construction is also taking place in Silicon Valley with over 214,000 square feet of new R&D space expected to be delivered to the market in 2008.

Venture capital spending totaled over \$2.48 billion invested in Silicon Valley for the year, which is the highest amount invested outside of 1999 and 2000. Leasing activity is expected to strengthen as tenant demand for quality R&D product continues. As a result landlords will be offering fewer concessions to new tenants.

Investors took a back seat in the fourth quarter with large investment and user sales on the decline.

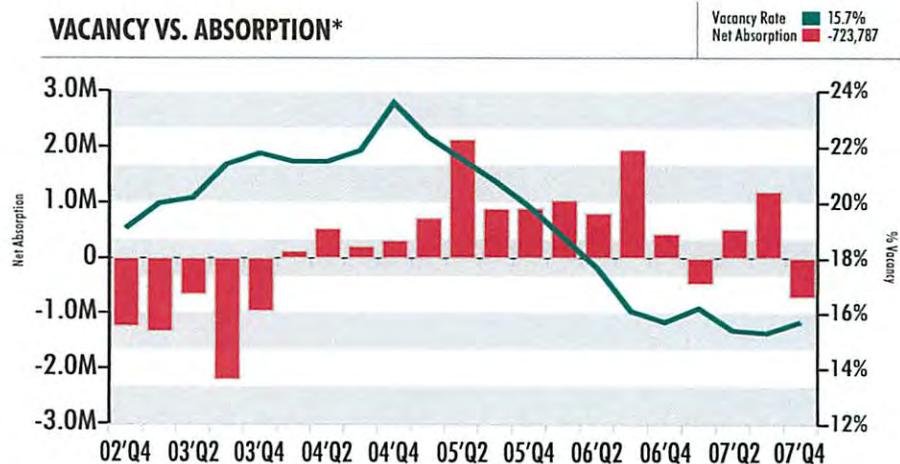
Evidence suggests investors are remaining cautiously optimistic that demand will soon pick-up. Cohen Asset Management topped the list of large transactions this quarter by purchasing two buildings for 148,763 square feet on 39700 Eureka Drive in Newark, for a total of \$19 million.

Average asking rates for the Silicon Valley R&D market increased for the eighth consecutive quarter. With vacancy holding under 16% rates are expected to remain stable. It is still uncertain whether tenants will absorb enough space to encourage significant rent growth in the upcoming quarters; however, average rents are currently at a five year high of \$1.33 NNN.

Overall, 2007 marked a record setting year, posting a record number of transactions, increased leasing rates, and falling vacancy levels all fueled by investors and burgeoning demand; but, the near term appears to be stabilizing as activity has decelerated and the national economy is at the heels of a transitioning real estate market. However, investors remain optimistic and anticipate a positive trend through 2008, but at a more modest pace to what has been a resilient market.

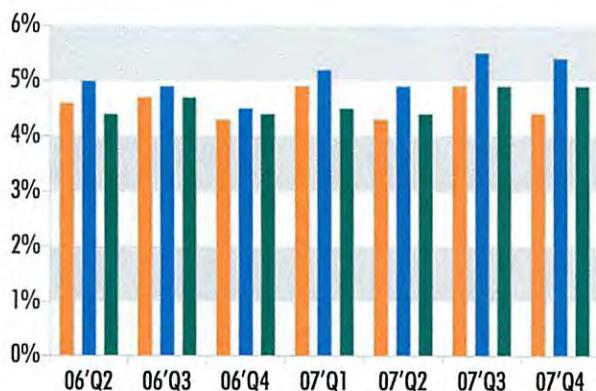
Average asking rates for the Silicon Valley R&D market increased for the eighth consecutive quarter. With vacancy holding under 16% rates are expected to remain stable.

VACANCY VS. ABSORPTION*



| SUBMARKET | NET RENTABLE AREA | TOTAL VACANCY RATE | TOTAL AVAILABILITY RATE | AVG. ASKING RATE | Q4 NET ABSORPTION | YTD NET ABSORPTION | CONSTRUCTION |
|--------------------------------------|--------------------|--------------------|-------------------------|------------------|-------------------|--------------------|----------------|
| San Jose Downtown | 1,814,252 | 2.1% | 2.8% | \$1.15 | 163,958 | 188,957 | 0 |
| Meridian | 295,234 | 17.3% | 17.3% | \$1.18 | 0 | (51,022) | 0 |
| North San Jose | 25,167,832 | 19.2% | 20.1% | \$1.20 | (211,617) | 261,681 | 0 |
| I.B.P. | 10,168,338 | 15.2% | 16.0% | \$0.82 | (75,264) | 180,418 | 0 |
| East San Jose | 446,258 | 4.5% | 4.9% | \$1.03 | 532 | 7,805 | 0 |
| South San Jose | 9,635,101 | 26.0% | 27.1% | \$1.22 | (140,464) | (269,640) | 0 |
| Milpitas | 12,297,445 | 20.1% | 20.6% | \$1.10 | 375,166 | (238,338) | 0 |
| Santa Clara | 21,900,401 | 12.9% | 13.7% | \$1.43 | (328,491) | 90,415 | 0 |
| Campbell | 1,174,280 | 12.6% | 24.7% | \$1.75 | (28,672) | (15,667) | 0 |
| Los Gatos | 673,627 | 8.0% | 10.5% | \$1.75 | (13,251) | (6,216) | 0 |
| Cupertino | 4,679,178 | 7.0% | 7.5% | \$1.75 | (202,412) | (162,175) | 0 |
| Sunnyvale | 23,824,673 | 12.5% | 12.9% | \$1.50 | 88,329 | 453,443 | 0 |
| Mountain View | 12,874,141 | 6.6% | 10.6% | \$1.73 | (27,694) | 85,197 | 0 |
| Los Altos | 12,326 | 0.0% | 0.0% | \$1.75 | 0 | 0 | 0 |
| Palo Alto | 7,659,965 | 3.7% | 7.5% | \$2.75 | (189,037) | (103,606) | 78,000 |
| Santa Clara County | 132,623,051 | 14.3% | 15.6% | \$1.35 | (588,917) | 421,252 | 0 |
| Fremont / Newark | 22,576,867 | 25.1% | 26.5% | \$0.80 | (134,870) | 98,868 | 136,730 |
| SILICON VALLEY R&D MARKET | 155,199,918 | 15.7% | 17.0% | \$1.33 | (723,787) | 520,120 | 214,730 |

UNEMPLOYMENT RATES



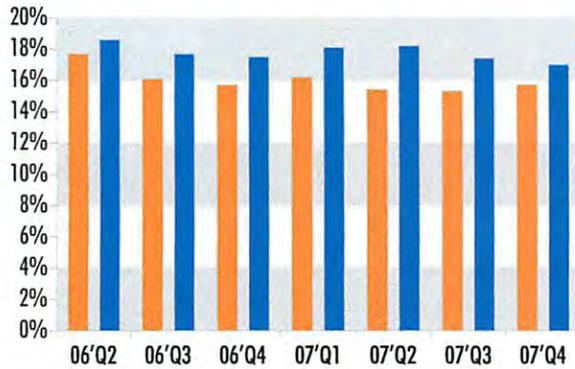
Source: EDD

National real GDP increased at an annual rate of 4.9% in the third quarter according to the Bureau of Economic Analysis. The acceleration of GDP in the third quarter reflected positively in exports, these were offset by a negative contribution from residential fixed investment. Imports, which are a subtraction in the calculation of GDP, increased in the third quarter. Silicon Valley venture capital investment remained stable throughout the third quarter closing with 287 deals valued at over \$2.48 billion. Silicon Valley accounted for 35% of venture capital investment nationwide. The total number of jobs in the South Bay grew by 6,900 to bring the unemployment rate to 4.9%. The California unemployment rate decreased 10 basis points to 5.4% with non-farm payrolls increasing by 7,300. The national unemployment rate decreased 50 basis points to 4.4%.

U.S. 4.4%
California 5.4%
Santa Clara 4.9%

VACANCY/AVAILABILITY

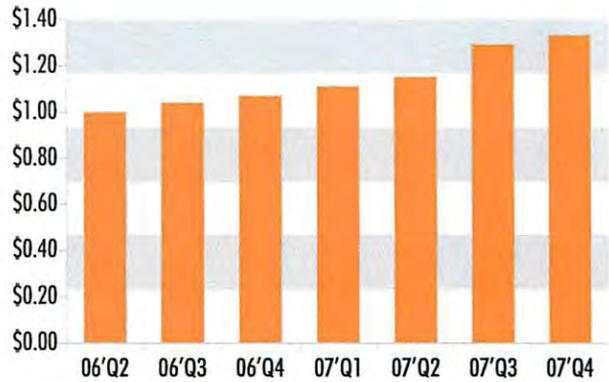
Vacancy 15.7%
Availability 17.0%



The average vacancy rate for the Silicon Valley R&D market increased 40 basis points to 15.7%. Milpitas experienced the largest drop in vacancy dipping 300 basis points to 20.1% due in large part to Cisco Systems leasing 471,607 square feet on 115 N McCarthy Blvd. Vacancy for the Downtown/IBP submarket dropped 130 basis points from the previous quarter to 13.2%. In contrast, the Santa Clara and the West Valley submarkets posted the largest increases in vacancy rates. The West Valley submarket vacancy rate increased 370 basis points to 8.1%, and Santa Clara jumped up 140 basis points to 12.9%.

LEASE RATES

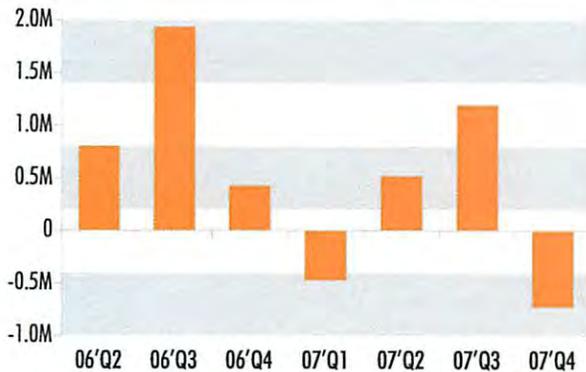
R&D \$1.33



Average asking lease rates for Silicon Valley R&D product continued to increase for the eighth consecutive quarter, to \$1.33 NNN, an increase of 2.3% from the previous quarter, and 24.5% from the same time last year. Mountain View, Sunnyvale, and West Valley submarkets all experienced dramatic increases. Mountain View and West Valley reported asking rates were up 5% and 6% respectively. Expect lease rates to continue a steady climb as leasing activity strengthens.

NET ABSORPTION

Net Absorption -723,787



Although the Silicon Valley R&D market posted negative net absorption in the fourth quarter, absorption for the year stood at 520,120 square feet marking the fourth consecutive year of positive absorption. Milpitas saw the largest gain in absorption at 375,166 square feet, an aggressive recovery after recording negative net absorption in the third quarter. The San Jose Downtown/I.B.P submarkets also posted positive absorption of 88,694 square feet due in part to large lease transactions from 2Wire and Vocera Communications.

CONSTRUCTION ACTIVITY

Construction on the Fremont Tech Center is currently underway and is projected to deliver approximately 137,000 square feet and will include ten R&D buildings ranging in size from 5,000 to 30,000 square feet. Fremont could be considered a good option for tenants looking for quality R&D space in the near future due to favorable rates and location in a tightening R&D market. Construction has also broken ground at 3412 Hillview in Palo Alto. The single tenant structure is expected to deliver 78,000 square feet and is already 100% fully leased to SAP.

MARKET OUTLOOK

The Silicon Valley R&D market has posted another solid year of healthy leasing activity and will look to continue this trend in 2008. Although investment deals may decelerate, leasing activity will remain stable as venture capital spending continues to fuel the market, keeping R&D product in high demand. As vacancy rates decline and the market tightens further in 2008, tenants will see consistent rental rates with few concessions in quality R&D product. The trends indicate the Silicon Valley R&D market will remain resilient and should look positive in 2008.

SILICON VALLEY SUBMARKET MAP



MARKET AREA DESCRIPTIONS

- Downtown consists of 1.8 million square feet (1.2%) of the R&D market NRA.
- Meridian consists of 0.3 million square feet (0.2%) of the R&D market NRA.
- N. San Jose consists of 25.1 million square feet (16.2%) of the R&D market NRA.
- I.B.P consists of 10.2 million square feet (6.6%) of the R&D market NRA.
- E. San Jose consists of 0.4 million square feet (0.3%) of the R&D market NRA.
- S. San Jose consists of 9.6 million square feet (6.2%) of the R&D market NRA.
- Milpitas consists of 12.3 million square feet (7.9%) of the R&D market NRA.
- Santa Clara consists of 21.9 million square feet (14.1%) of the R&D market NRA.
- Campbell consists of 1.2 million square feet (0.8%) of the R&D market NRA.
- Los Gatos consists of 0.7 million square feet (0.4%) of the R&D market NRA.
- Cupertino consists of 4.7 million square feet (3.0%) of the R&D market NRA.
- Sunnyvale consists of 23.8 million square feet (15.4%) of the R&D market NRA.
- Mountain View consists of 12.9 million square feet (8.3%) of the R&D market NRA.
- Los Altos consists of 0.01 million square feet (0.0%) of the R&D market NRA.
- Palo Alto consists of 7.7 million square feet (4.9%) of the R&D market NRA.
- Fremont consists of 19.1 million square feet (12.3%) of the R&D market NRA.
- Newark consists of 3.5 million square feet (2.3%) of the R&D market NRA.

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AVAILABILITY RATE

Available Square Feet divided by the NRA.

AVAILABLE SQUARE FEET

Vacant Square Feet plus space that is available but not currently vacant, plus sublease space.

AVERAGE ASKING DIRECT LEASE RATE

The rate determined by multiplying the asking triple-net lease rate for each building in the summary by its associated NRA, summing the products, then dividing by the sum of the NRA. Rates are reported on a monthly basis.

MARKET COVERAGE

Includes R&D buildings 7,500 square feet and larger located within defined submarkets.

NET ABSORPTION

The change in Occupied Square Feet from one period to the next.

NET LEASES

Includes all lease types whereby the Tenant assumes responsibility for most, or all, of the operating expenses and taxes for the property.

NET RENTABLE AREA (NRA)

The gross building square footage minus the elevator core, flues, pipe shafts, vertical ducts, balconies and stairwell areas.

OCCUPIED SQUARE FEET

NRA not considered vacant.

UNDER CONSTRUCTION

Buildings which have begun construction as evidenced by foundation work.

VACANCY RATE

Vacant Square Feet divided by the NRA.

VACANT SQUARE FEET

Available NRA which is either physically vacant or immediately available. Includes sublease space.

Silicon Valley Market

R&D REPORT

FOURTH QUARTER 2007

| Submarkets | NRA | Total Vacancy Rate | Total Availability Rate | Total Direct Available | Total Sublease Available | Average Asking Rates | Q4 Net Absorption | Q4 Gross Absorption | Y-T-D Net Absorption |
|--------------------------------------|--------------------|--------------------------|-------------------------------|------------------------------|--------------------------------|----------------------------|-------------------------|---------------------------|----------------------------|
| San Jose – Downtown/IBP | 11,982,590 | 13.2% | 14.0% | 1,436,633 | 244,320 | \$0.87 | 88,694 | 305,134 | 369,375 |
| San Jose – North | 25,167,832 | 19.2% | 20.0% | 4,478,858 | 567,781 | \$1.20 | (211,617) | 463,074 | 261,681 |
| San Jose - Meridian/East/South | 10,376,593 | 24.8% | 25.8% | 2,157,748 | 523,635 | \$1.21 | (139,932) | 82,619 | (312,857) |
| Milpitas | 12,297,445 | 20.1% | 20.6% | 1,998,136 | 533,952 | \$1.10 | 375,166 | 621,265 | (238,338) |
| Santa Clara | 21,900,401 | 12.9% | 13.7% | 2,489,005 | 505,483 | \$1.43 | (328,491) | 563,971 | 90,415 |
| West Valley* | 6,539,411 | 8.1% | 10.9% | 643,052 | 67,028 | \$1.75 | (244,335) | 21,025 | (184,058) |
| Sunnyvale | 23,824,673 | 12.5% | 12.9% | 2,729,470 | 354,433 | \$1.50 | 88,329 | 615,734 | 453,443 |
| Mountain View | 12,874,141 | 6.6% | 10.6% | 1,040,114 | 319,108 | \$1.73 | (27,694) | 212,517 | 85,197 |
| Palo Alto | 7,659,965 | 3.7% | 7.5% | 223,650 | 354,353 | \$2.75 | (189,037) | 122,670 | (103,606) |
| Fremont/Newark | 22,576,867 | 23.9% | 23.9% | 5,282,630 | 390,532 | \$0.80 | (134,870) | 487,950 | 98,868 |
| Silicon Valley R&D Market | 155,199,918 | 15.7% | 17.0% | 22,479,296 | 3,860,625 | \$1.33 | (723,787) | 3,495,959 | 520,120 |

* West Valley is comprised of the Los Gatos, Campbell, Cupertino and Los Altos markets.

Significant Transactions of the Quarter

Lease Transactions

| Address | City | Tenant | Total SF | Type |
|-------------------------|-------------|--------------------------|----------|------|
| 115 N McCarthy Blvd | Milpitas | Cisco | 471,607 | New |
| 401 Kato Terr | Fremont | All Quality and Services | 72,536 | New |
| 600 W California Ave | Sunnyvale | Synplicity | 66,212 | Rnwl |
| 5425 Stevens Creek Blvd | Santa Clara | LiveOps, Inc. | 59,384 | New |
| 929 E Arques Ave | Sunnyvale | Maxim | 58,688 | New |
| 1768 Automation Pkwy | San Jose | 2Wire, Inc. | 53,741 | New |
| 4050 Starboard Dr | Fremont | Flash Electronics | 52,232 | Rnwl |
| 525 Race St | San Jose | Vocera Communications | 46,395 | New |
| 940 - 980 Mission Ct | Fremont | VIA Technologies | 36,348 | New |
| 965 E Arques Ave | Sunnyvale | Innovalight | 35,537 | New |

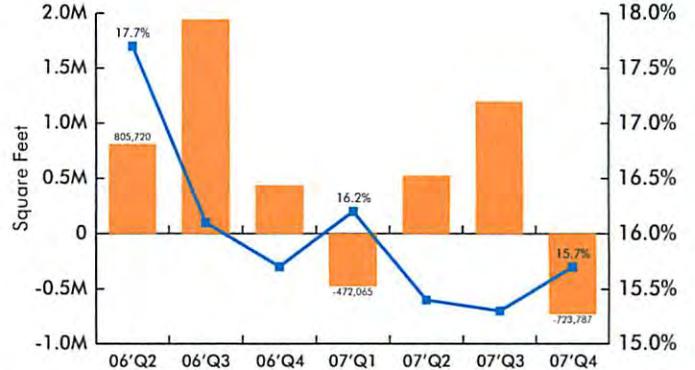
**SILICON VALLEY
R&D PROPERTY LEASE RATES**

Lease Rates



**SILICON VALLEY
VACANCY AND NET ABSORPTION**

Net Absorption
Historical Vacancy



Sale Transactions

| Address | City | Buyer | Total SF | Type |
|--------------------------|-------------|------------------------|----------|------|
| 39700 Eureka Dr | Newark | Cohen Asset Management | 148,763 | Inv |
| 1980 - 1998 Concourse Dr | San Jose | Fox Creek Fund LLC | 85,367 | Inv |
| 1015 - 1025 E Brokaw Rd | San Jose | Dollinger Properties | 83,800 | Inv |
| 3745 - 3775 N First St | San Jose | DR Stephens | 67,582 | Inv |
| 430 - 438 W Maude Ave | Sunnyvale | Trinity Baptist Church | 60,000 | User |
| 220 Humboldt Ct | Sunnyvale | Batton | 50,760 | Inv |
| 1306 - 1310 Orleans Dr | Sunnyvale | Orchard Commercial | 50,256 | Inv |
| 455 Deguigne Dr | Sunnyvale | Westcore Properties | 46,104 | Inv |
| 550 - 576 Sycamore Dr | Milpitas | DR Stephens & Co LLC | 40,455 | Inv |
| 3200 - 3226 Scott Blvd | Santa Clara | Devcon Construction | 36,000 | Inv |

Significant Construction

| Address | City | Building NRA | Developer |
|------------------------------------|-----------|--------------|-----------|
| Fremont Tech Center - 10 Buildings | Fremont | 136,730 | Opus |
| 3412 Hillview Ave | Palo Alto | 78,000 | Devcon |

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QUICK STATS

| | Current | Change from last | |
|--------------------------|---------|------------------|------|
| | | Yr. | Qtr. |
| Vacancy | 15.7% | ↓ | ↓ |
| Lease Rates | \$1.07 | ↑ | ↑ |
| Net Absorption* | 431.2K | ↓ | ↓ |
| Construction Completions | 37,470 | ↑ | ↑ |

* The Quick Stats arrows are trend indicators over the specified time period and do not represent a positive or negative value. (E.g., absorption could be negative, but still represent a positive trend over a specific period.)

HOT TOPICS

- Third consecutive year of positive net absorption
- Both vacancy and availability dropped for the ninth consecutive quarter
- The market posted the lowest vacancy rate in over four years
- Average asking rates increased more than 9% in 2006

The Silicon Valley's R&D market posted another solid year in 2006. Thanks largely to high-tech giants Google, Apple Computer and Yahoo! expanding and gobbling up properties in Mountain View, Cupertino and Santa Clara, the market saw gross activity reach almost 12 million square feet in 2006. The future for high-tech companies in the area is bright, exhibited by the consistent level of venture capital funding being pumped into the Silicon Valley. Investment sales also drove the market in 2006, marked by enormous acquisitions by RREEF, Hines REIT and JER/Lane in multiple cities. These factors resulted in a third year of positive net absorption, falling vacancies and significant rent growth as the supply of available space decreased throughout the year.

Thanks largely to high-tech giants Google, Apple Computer and Yahoo! expanding and gobbling up properties in Mountain View, Cupertino and Santa Clara, the market saw the gross activity reach almost 12 million square feet in 2006

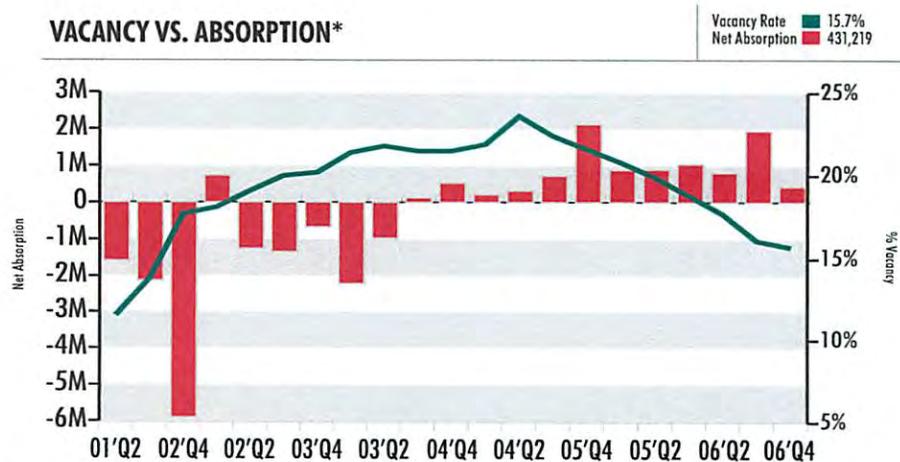
The R&D market showed mixed results in the fourth quarter, posting over two million square feet of gross absorption, yet only 431,219 square feet of net absorption. Leasing activity was still robust, but due to a substantial amount of vacant space

made available in previous quarters occupancy gains this quarter were not as strong as predicted. Overall, vacancy rates dropped 417 basis points in 2006 to 15.7% as net absorption hit another high of 4.2 million square feet and average asking rate increased 9.2% to \$1.07 NNN. Sublease space now stands at 17.5%, up 182 basis points in the quarter but down 294 basis points for the year.

Despite six buildings becoming vacant in the Pacific Research Center in Newark, market-wide activity levels were still strong enough to offset the half million square feet of vacant biotech space owned by BioMed. Milpitas led the rest of the market in activity, posting 411,451 square feet of gross absorption. Significant lease transactions in the fourth quarter

included Interwoven leasing 110,000 square feet in North San Jose, Greater Bay Bank inking 107,332 square feet in the McCarthy Center and Spectra taking 93,324 square feet in Milpitas.

VACANCY VS. ABSORPTION*



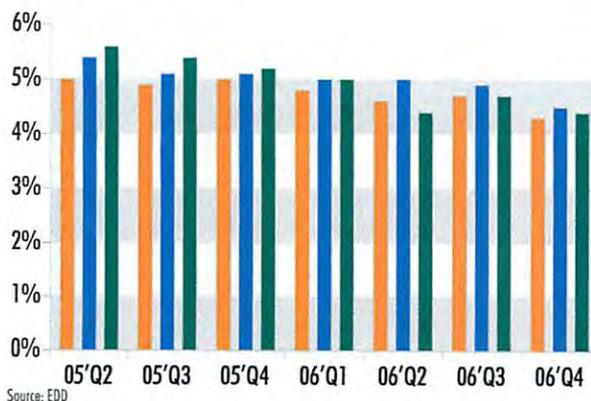
* Silicon Valley industrial base reflects reclassifications and NRA changes in Q3 & Q4 2004

| SUBMARKET | NET RENTABLE AREA | TOTAL VACANCY RATE | TOTAL AVAILABILITY RATE | AVG. ASKING RATE | Q4 NET ABSORPTION | YTD NET ABSORPTION | CONSTRUCTION* |
|--|--------------------|--------------------|-------------------------|------------------|-------------------|--------------------|----------------|
| San Jose Downtown | 1,812,241 | 12.5% | 12.5% | \$1.17 | 1,000 | (49,663) | 0 |
| Meridian | 295,234 | 0.0% | 0.0% | - | 0 | 4,370 | 0 |
| North San Jose | 24,821,007 | 19.2% | 20.1% | \$0.96 | (76,061) | 546,230 | 0 |
| I.B.P. | 10,461,601 | 18.9% | 19.1% | \$0.74 | 46,589 | (243,118) | 0 |
| East San Jose | 446,258 | 6.2% | 6.6% | \$1.02 | (7,896) | (7,273) | 0 |
| South San Jose | 9,286,108 | 22.3% | 27.7% | \$1.12 | 61,353 | (22,201) | 0 |
| Milpitas | 12,263,128 | 20.4% | 23.3% | \$0.87 | 253,926 | 788,375 | 127,986 |
| Santa Clara | 22,751,196 | 12.9% | 13.5% | \$1.05 | 7,383 | 1,519,831 | 0 |
| Campbell | 1,160,431 | 8.3% | 10.9% | \$1.33 | 113,423 | 191,998 | 0 |
| Los Gatos | 673,627 | 4.7% | 7.1% | \$1.28 | (10,194) | (9,412) | 0 |
| Cupertino | 4,569,979 | 3.6% | 6.0% | \$1.40 | (12,748) | 80,198 | 0 |
| Sunnyvale | 23,785,095 | 12.9% | 14.3% | \$1.04 | 80,724 | 694,448 | 0 |
| Mountain View | 13,036,759 | 10.7% | 11.3% | \$1.20 | 147,358 | 450,516 | 0 |
| Los Altos | 12,326 | 0.0% | 0.0% | - | 0 | 0 | 0 |
| Palo Alto | 9,643,930 | 2.2% | 2.2% | \$2.15 | 43,690 | 92,718 | 0 |
| Santa Clara County | 135,018,920 | 14.4% | 15.8% | \$1.14 | 648,547 | 4,037,017 | 127,986 |
| Fremont / Newark | 22,329,841 | 23.7% | 28.2% | \$0.73 | (217,328) | 174,069 | 0 |
| SILICON VALLEY R&D MARKET** | 157,348,761 | 15.7% | 17.5% | \$1.07 | 431,219 | 4,211,086 | 127,986 |

* Six months or less to completion.

** The Silicon Valley R&D base underwent a reconciliation in Q3 & Q4 2004. The decrease in the base reflects reclassifications, NRA changes, and the rezoning of industrial properties. Absorption calculations were adjusted accordingly, and accurately represent changes in occupancy.

UNEMPLOYMENT RATES



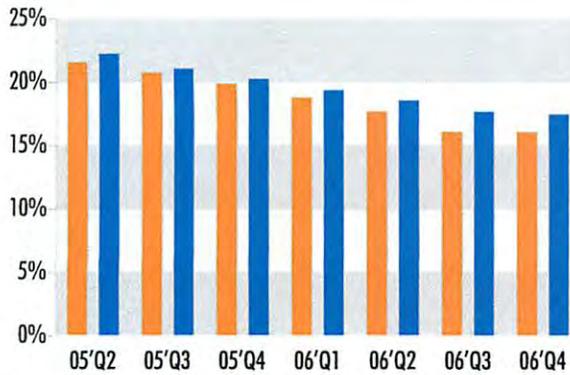
Source: EDD

The economy grew at an annual rate of 2.0% in the third quarter, a 20 basis points decrease from the preliminary estimates and 60 basis points less than in the second quarter. The deceleration in third-quarter GDP growth primarily reflected an acceleration in imports and a larger decrease in residential fixed investment and government spending. However, corporate venture capital investment is reported to be stable, hitting the six billion dollar mark for the third consecutive quarter. Biotech and life sciences sectors remain as the focus, with telecommunications, energy, and industrial sectors on the rise. In the third quarter, Silicon Valley led the rest of the nation with 34.9% of total year to date venture capital funding, a slight decrease of 1% from the same period in 2005. The labor force in Santa Clara County increased by 8,900 from September to November, and approximately 9,000 jobs were added in Santa Clara County in the same period, helping to drop the unemployment rate to 4.4%. The unemployment for California slid to 4.5% in November and the national unemployment rate down to 4.3% during the same period.

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VACANCY/AVAILABILITY

Vacancy 15.7%
Availability 17.5%



The availability rate for Silicon Valley dropped to 17.5% this quarter, whereas vacancy decreased 36 basis points to 15.7%. The vacancy rate dropped 416 basis points over the year. Palo Alto remains the tightest submarket, posting a 90 basis point drop in vacancy during the year to close the quarter at 2.2%. The Milpitas submarket showed the most improvement this quarter, posting a 180 basis point drop in vacancy. Overall, Campbell, Santa Clara, Milpitas and Mountain View led the rest of the market in 2006, with 1420, 920, 880, and 500 basis points drops in vacancy, respectively. Due to the space coming on the market in the former Sun campus, Newark still lags behind the rest of the market, with nearly 60% of R&D space remaining available. The volume of sublease space on the market dropped 1.6 million square feet in 2006, and now represents 17.5% of all available space.

LEASE RATES

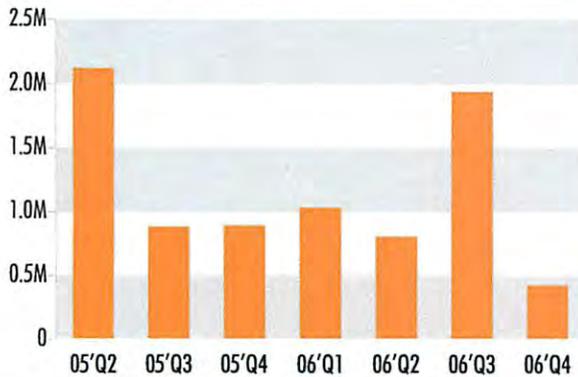
R&D \$1.07



The overall average asking rate increased to \$1.07 this quarter, and is up 9.2% in the past year. The majority of submarkets saw significant improvement in rates over the year, a direct result of improved market conditions. Palo Alto still had the highest asking rate, largely due to desirable location and limited space available on the market. Additionally, lease rate escalations of 4% have been installed in the majority of recent transactions.

NET ABSORPTION

Net Absorption 431,219



The Silicon Valley R&D market posted positive absorption for the third consecutive year, with the market experiencing 431,219 square feet of positive absorption in the fourth quarter. Occupancy gains took a slight hit due to a substantial amount of newly vacated space. Milpitas had the most significant positive absorption with 253,926 square feet, while Newark experienced over half a million square feet of negative net absorption.

CONSTRUCTION ACTIVITY

The McGlincy Center was completed in the fourth quarter, delivering two buildings consisting of 24 condominiums ranging from 576 to 2,279 square feet in West Valley. A new Venture Commerce project of 12 buildings is currently under construction in Milpitas. Upon completion in March 2007, 32 condominiums and four free standing buildings will be delivered. eBay also started the construction of its own campus in North San Jose.

MARKET OUTLOOK

The combination of expansion from existing corporations and growth from new companies made 2006 a very successful year for Silicon Valley. High-tech corporations became the dominant player in committing to acquire vast amount of properties and land to own or construct their own campuses. The investment market also thrived as investors sought income growth through value added properties and investment development opportunities. As the market tightens further in 2007, landlords will capture more negotiating leverage from tenants due to shrinking supplies, and significant rental rate increases are expected for the upcoming year.

SILICON VALLEY SUBMARKET MAP



MARKET AREA DESCRIPTIONS

- Downtown consists of 1.8 million square feet (1.2%) of the R&D market NRA.
- Meridian consists of 0.3 million square feet (0.2%) of the R&D market NRA.
- N. San Jose consists of 24.8 million square feet (16.2%) of the R&D market NRA.
- I.B.P consists of 10.5 million square feet (6.8%) of the R&D market NRA.
- E. San Jose consists of 0.4 million square feet (0.3%) of the R&D market NRA.
- S. San Jose consists of 9.3 million square feet (6.0%) of the R&D market NRA.
- Milpitas consists of 9.3 million square feet (6.0%) of the R&D market NRA.
- Santa Clara consists of 22.7 million square feet (14.8%) of the R&D market NRA.
- Campbell consists of 1.2 million square feet (0.8%) of the R&D market NRA.
- Los Gatos consists of 0.7 million square feet (0.4%) of the R&D market NRA.
- Cupertino consists of 4.6 million square feet (3.0%) of the R&D market NRA.
- Sunnyvale consists of 23.8 million square feet (15.5%) of the R&D market NRA.
- Mountain View consists of 13.0 million square feet (8.5%) of the R&D market NRA.
- Los Altos consists of 0.01 million square feet (0.0%) of the R&D market NRA.
- Palo Alto consists of 9.6 million square feet (6.3%) of the R&D market NRA.
- Fremont consists of 18.6 million square feet (12.1%) of the R&D market NRA.
- Newark consists of 3.0 million square feet (2.0%) of the R&D market NRA.

LOCAL OFFICES

| | | | |
|--|---|---|---|
| SAN FRANCISCO PENINSULA 950 Tower Lane Suite 870 Foster City, CA 94404 1.650.577.2900 | OAKLAND 555 12th Street Suite 900 Oakland, CA 94610 1.510.874.1900 | PLEASANTON 5000 Hopyard Road Suite 180 Pleasanton, CA 94588 1.925.251.4600 | SAN FRANCISCO DOWNTOWN 101 California Street 44th Floor San Francisco, CA 94111 1.415.772.0123 |
| SILICON VALLEY 225 W. Santa Clara Street Suite 1050 San Jose, CA 95113 1.408.453.7400 | PALO ALTO Two Palo Alto Square 3000 El Camino Real Suite 100 Palo Alto, CA 94306 1.650.494.5100 | | |



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AVAILABILITY RATE

Available Square Feet divided by the NRA.

AVAILABLE SQUARE FEET

Vacant Square Feet plus space that is available but not currently vacant, plus sublease space.

AVERAGE ASKING DIRECT LEASE RATE

The rate determined by multiplying the asking triple-net lease rate for each building in the summary by its associated NRA, summing the products, then dividing by the sum of the NRA. Rates are reported on a monthly basis.

MARKET COVERAGE

Includes R&D buildings 7,500 square feet and larger located within defined submarkets.

NET ABSORPTION

The change in Occupied Square Feet from one period to the next.

NET LEASES

Includes all lease types whereby the Tenant assumes responsibility for most, or all, of the operating expenses and taxes for the property.

NET RENTABLE AREA (NRA)

The gross building square footage minus the elevator core, flues, pipe shafts, vertical ducts, balconies and stairwell areas.

OCCUPIED SQUARE FEET

NRA not considered vacant.

UNDER CONSTRUCTION

Buildings which have begun construction as evidenced by site excavation or foundation work.

VACANCY RATE

Vacant Square Feet divided by the NRA.

VACANT SQUARE FEET

Available NRA which is either physically vacant or immediately available. Includes sublease space.

Silicon Valley Market

R&D REPORT

FOURTH QUARTER 2006

| Submarkets | NRA | Total Vacancy Rate | Total Availability Rate | Total Direct Available | Total Sublease Available | Average Asking Rates | Q4 Net Absorption | Q4 Gross Absorption | Y-T-D Net Absorption |
|--------------------------------------|--------------------|--------------------------|-------------------------------|------------------------------|--------------------------------|----------------------------|-------------------------|---------------------------|----------------------------|
| San Jose – Downtown/IBP | 12,273,842 | 18.0% | 18.1% | 1,719,335 | 484,667 | \$0.80 | 47,589 | 96,726 | (292,781) |
| San Jose – North | 24,821,007 | 19.2% | 20.1% | 4,494,698 | 501,958 | \$0.96 | (76,061) | 245,297 | 546,230 |
| San Jose - Meridian/East/South | 10,027,600 | 20.9% | 26.0% | 1,809,167 | 796,011 | \$1.12 | 53,457 | 70,828 | (25,104) |
| Milpitas | 12,263,128 | 20.4% | 23.3% | 2,416,845 | 443,693 | \$0.87 | 253,926 | 411,451 | 788,375 |
| Santa Clara | 22,751,196 | 12.9% | 13.5% | 2,550,185 | 511,809 | \$1.05 | 7,383 | 253,002 | 1,519,831 |
| West Valley* | 6,416,363 | 4.5% | 7.0% | 380,127 | 67,650 | \$1.37 | 90,481 | 123,842 | 262,784 |
| Sunnyvale | 23,785,095 | 12.9% | 14.3% | 2,924,241 | 487,404 | \$1.04 | 80,724 | 249,096 | 694,448 |
| Mountain View | 13,036,759 | 10.7% | 11.3% | 1,098,255 | 380,818 | \$1.20 | 147,358 | 221,581 | 450,516 |
| Palo Alto | 9,643,930 | 2.2% | 2.2% | 78,966 | 135,460 | \$2.15 | 43,690 | 43,690 | 92,718 |
| Fremont/Newark | 22,329,841 | 23.7% | 28.2% | 5,083,138 | 1,027,977 | \$0.73 | (217,328) | 367,319 | 174,069 |
| Silicon Valley R&D Market | 157,348,761 | 15.7% | 17.5% | 22,554,957 | 4,837,447 | \$1.07 | 431,219 | 2,082,832 | 4,211,086 |

* West Valley is comprised of the Los Gatos, Campbell, Cupertino and Los Altos markets.

Significant Transactions of the Quarter

Lease Transactions

| Address | City | Tenant | Total SF |
|---------------------------|---------------|------------------------|----------|
| 160 Tasman Dr | San Jose | Interwoven | 110,000 |
| 920 & 940 McCarthy Blvd | Milpitas | Greater Bay Bank | 107,332 |
| 250-280 Bernardo Ave | Mountain View | AVID Technology | 106,460 |
| 525 Sycamore Dr | Milpitas | Spectra Laboratories | 93,324 |
| 640 McCarthy Blvd | Milpitas | Infineon Technologies | 62,874 |
| 47100 Bayside Pkwy | Fremont | Virage Logic | 61,454 |
| 3165-3175 Winchester Blvd | Campbell | Baraccuda Networks | 61,424 |
| 2308 Zanker Rd | San Jose | Mos Plastics | 54,375 |
| 1315 Chesapeake Terr | Sunnyvale | Accuray Inc. | 52,992 |
| 160 Gibraltar Ct | Sunnyvale | Juniper Networks | 50,311 |
| 5353 Betsy Ross Dr | Santa Clara | Atheros Communications | 50,200 |

Sale Transactions

| Address | City | Buyer | Total SF |
|---|---|-------------------------------------|----------|
| 1701 Ridder Park, 1701-1733, 1745-1751 Fox, 48501-48531 Warm Springs, 890-894 Ross, 3033 Scott, 207-209 Java, 200-250 Hacienda, 1315 & 1353 Dell, 2202-2270 N First | Fremont, San Jose, Sunnyvale, Santa Clara | Hines Interests Limited Partnership | 726,331 |
| 310-324 Mary, 884-919 Hermosa, 345 & 477 Potrero | Sunnyvale | Archon Group | 468,323 |
| Results Way Corporate Park | Cupertino | Embarcadero Capital | 373,402 |
| 110-180 Rose Orchard Wy | San Jose | Rockpoint Group | 310,000 |
| 1623 & 804 Buckeye, 1656 & 1708 McCarthy, 575 Cottonwood | Milpitas | The Carlyle Group | 272,690 |
| 2233-2245 Samaritan Dr | San Jose | Summerhill Homes | 235,983 |
| 1310 & 1320 Ridder Park Dr | San Jose | Embarcadero Capital | 216,714 |
| 2217-2219, 2221-2223 Oakland Rd | San Jose | South Bay Development Company | 140,240 |
| 1290-1300 Terra Bella Ave | Mountain View | Embarcadero Capital | 112,819 |
| 680 Vaqueros Ave, 755 N Mathilda Ave | Sunnyvale | ING Clarion | 105,000 |
| 1331 California Cir | Milpitas | South Bay Development Company | 100,026 |
| 6835 Via Del Oro | San Jose | D.R. Stephens Co. | 99,576 |
| 48761 Kato Rd | Fremont | Keating Family Property, LLC | 91,275 |
| 880 Fox Dr | San Jose | CN Fox, LLC | 85,891 |
| 2222 Qume Dr | San Jose | Beckton Dickinson & Co | 81,500 |
| 1525 McCarthy Blvd | Milpitas | David Soo Investment Trust | 75,744 |
| 675 Almanor Ave | Sunnyvale | Dollinger Properties | 59,284 |

Under Construction

| Address | City | Total SF |
|-------------------------|----------|----------|
| Venture Commerce Center | Milpitas | 127,986 |

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Appendix D:
CBRE Available Class A Office space and Available Irvine Park (McCarthy Ranch)

Irvine Park Stats

| CITY | SQUARE FOOTAGE & AVAILABILITY | | | | | | ASKING LEASE RATES | | |
|-----------------|-------------------------------|------------------|----------------|---------------|----------------|---------------|--------------------|---------------|---------------|
| | BLDGS | BLDG SF | AVAIL SF | % AVAIL | VACANT SF | % VACANT | AVG DIR RATE | LOW | HIGH |
| 110448080 | 1 | 53,284 | 0 | 0.00% | 0 | 0.00% | \$0.90 | \$0.90 | \$0.90 |
| 110452034 | 1 | 63,440 | 0 | 0.00% | 0 | 0.00% | \$1.25 | \$1.25 | \$1.25 |
| 110452035 | 1 | 63,222 | 0 | 0.00% | 0 | 0.00% | \$0.00 | \$0.00 | \$0.00 |
| 110452036 | 1 | 53,666 | 0 | 0.00% | 0 | 0.00% | \$0.00 | \$0.00 | \$0.00 |
| 110452037 | 1 | 53,666 | 12,831 | 23.91% | 12,831 | 23.91% | \$1.50 | \$1.50 | \$1.50 |
| 110452120 | 1 | 53,284 | 13,262 | 24.89% | 13,262 | 24.89% | \$1.50 | \$1.50 | \$1.50 |
| 110452121 | 1 | 62,874 | 31,437 | 50.00% | 31,437 | 50.00% | \$1.50 | \$1.50 | \$1.50 |
| 110452138 | 1 | 43,694 | 32,770 | 75.00% | 32,770 | 75.00% | \$1.50 | \$1.50 | \$1.50 |
| 110452473 | 1 | 62,874 | 32,092 | 51.04% | 17,838 | 28.37% | \$1.50 | \$1.50 | \$1.50 |
| 110452475 | 1 | 53,284 | 0 | 0.00% | 0 | 0.00% | \$0.90 | \$0.90 | \$0.90 |
| 110452476 | 1 | 53,284 | 0 | 0.00% | 0 | 0.00% | \$0.90 | \$0.90 | \$0.90 |
| 110452477 | 1 | 62,874 | 0 | 0.00% | 0 | 0.00% | \$0.00 | \$0.00 | \$0.00 |
| 110452478 | 1 | 53,284 | 0 | 0.00% | 0 | 0.00% | \$0.90 | \$0.90 | \$0.90 |
| 110452480 | 1 | 53,284 | 26,642 | 50.00% | 26,642 | 50.00% | \$1.50 | \$1.50 | \$1.50 |
| 110452481 | 1 | 62,874 | 62,874 | 100.00% | 62,874 | 100.00% | \$1.50 | \$1.50 | \$1.50 |
| 110452482 | 1 | 44,096 | 0 | 0.00% | 0 | 0.00% | \$0.90 | \$0.90 | \$0.90 |
| 110452483 | 1 | 53,666 | 0 | 0.00% | 0 | 0.00% | \$1.25 | \$1.25 | \$1.25 |
| 110452484 | 1 | 53,666 | 0 | 0.00% | 0 | 0.00% | \$0.90 | \$0.90 | \$0.90 |
| 110452486 | 1 | 53,284 | 21,733 | 40.79% | 21,733 | 40.79% | \$1.50 | \$1.50 | \$1.50 |
| Milpitas | 19 | 1,053,600 | 233,641 | 22.18% | 219,387 | 20.82% | \$1.50 | \$0.90 | \$1.50 |
| TOTAL | 19 | 1,053,600 | 233,641 | 22.18% | 219,387 | 20.82% | \$1.50 | \$0.90 | \$1.50 |

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Class A Office Space For Lease in Milpitas

| Property Information | | Available Space Information | | | | | |
|--|--|--|--|---|--|--|-------------------------------------|
| 1  | 1533 California Cir Milpitas, CA 95035 Floor: 1 Suite: BLDG Bldg / Site Size: 26,976 SF / 0.53 acres Property Dev Type: General Office Property Status: Existing Property ID: 110446434 | Avail SF: 26,976 Min Avail SF: 12,550 Max Contig SF: 26,976 Avail Date: Space Type: Vacant: Sublease: | 26,976 12,550 26,976 ReLet Yes No | Lease Rate: \$1.30 NNN Tls: NNN Charges: \$0.41/sf Parking Cost: Listing: CBRE Thomas Taylor 408/453-7417 Notes: Brand New Nexterior Upgrades; Dramatic, Modernized two-story Lobby with Pendant Lighting; High-End Market Ready Second Floor; Great Glass Line, Open Floor Plan; Building Signage visible from 880; Second floor upgraded to Class A standards. | Term: For Sale: No | | |
| | 2  | Hillview Executive Park 830 Hillview Ct Milpitas, CA 95035-4550 Floor: 1 Suite: 245 Bldg / Site Size: 36,963 SF / 7.46 acres Property Dev Type: General Office Property Status: Existing Property ID: 110446695 | Avail SF: 1,926 Min Avail SF: 1,926 Max Contig SF: 1,926 Avail Date: Space Type: Vacant: Sublease: | 1,926 1,926 1,926 ReLet Yes No | Lease Rate: \$1.75 FSG Tls: NNN, CAM: Parking Cost: Listing: Newmark Cornish & Carey Tom Todd 408/727-9600 Notes: | Term: For Sale: No | |
| | | 3  | Hillview Executive Park 830 Hillview Ct Milpitas, CA 95035-4550 Floor: 2 Suite: 210 Bldg / Site Size: 36,963 SF / 7.46 acres Property Dev Type: General Office Property Status: Existing Property ID: 110446695 | Avail SF: 1,924 Min Avail SF: 1,924 Max Contig SF: 1,924 Avail Date: 06/08/09 Space Type: Vacant: Sublease: | 1,924 1,924 1,924 06/08/09 ReLet Yes No | Lease Rate: \$1.75 FSG Tls: NNN, CAM: Parking Cost: Listing: Newmark Cornish & Carey Tom Todd 408/727-9600 Notes: | Term: For Sale: No |

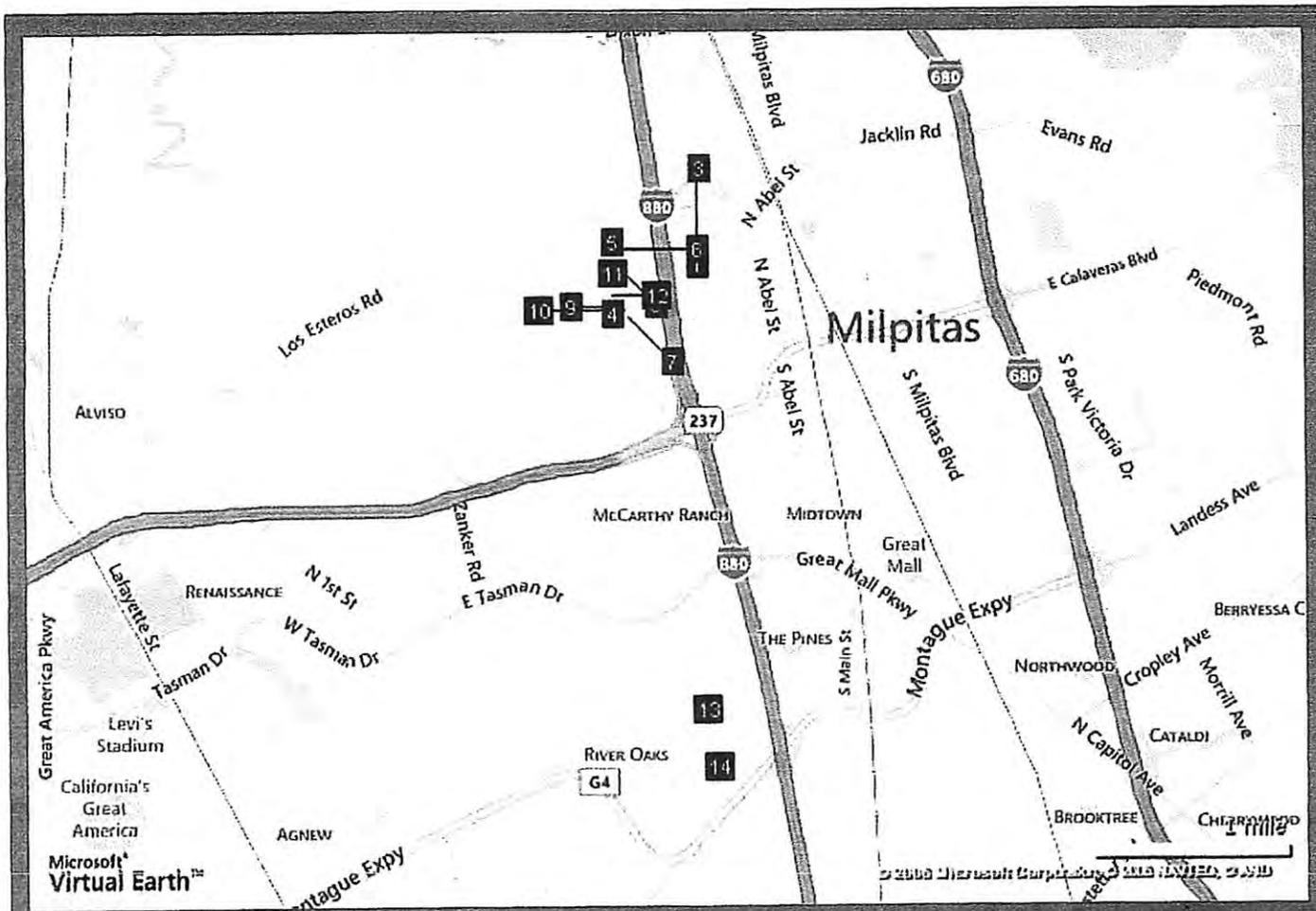
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Class A Office Space For Lease in Milpitas

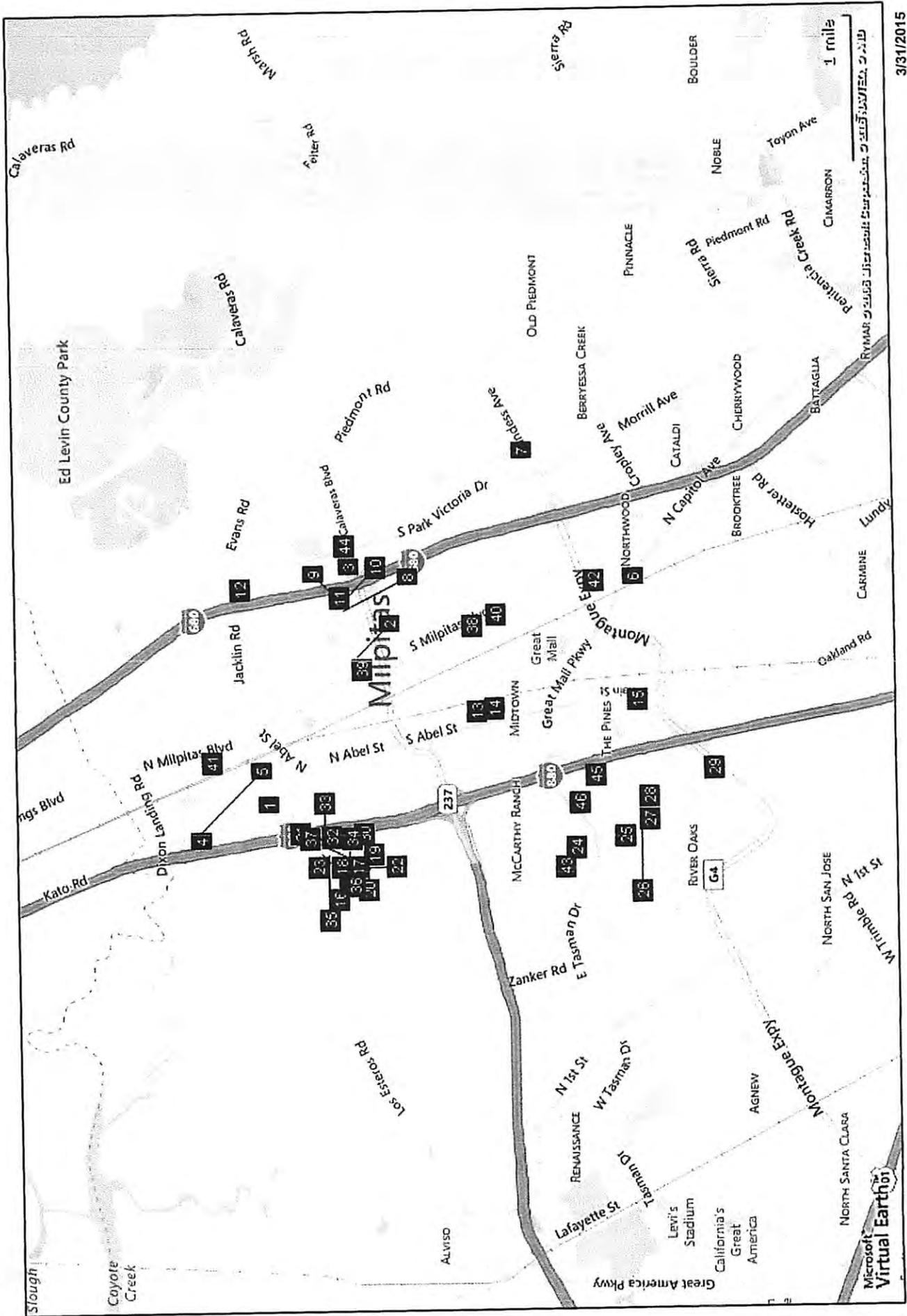
| Property Information | | Available Space Information | | | |
|--|--|--|---|---|-------------------------------------|
|  | Hillview Executive Park 860 Hillview Ct Milpitas, CA 95035-0000 Floor: 1 Suite: 150 | Avail SF: 56,087 SF Min Avail SF: 56,087 SF Max Contig SF: 56,087 SF Avail Date: Space Type: General Office Vacant: Existing Sublease: 110446696 | 2,521 2,521 2,521 | Lease Rate: \$1.95 FSG Tls: NNN, CAM: Parking Cost: | Term: For Sale: No |
| | Property Dev Type: General Office Property Status: Existing Property ID: 110446696 | ReLet: Yes Yes No | Listing: CBRE Paul Schmidt 408/453-7426 Notes: Centrally Located in Milpitas; Easy Access to Highway 237, Calaveras Blvd and I-680; Retail and Hotel Amenities; Ample On-Site Parking; High Ceiling Main Lobby With Stone Floor; Comcast Business Services. | | |
|  | Hillview Executive Park 860 Hillview Ct Milpitas, CA 95035-0000 Floor: 1 Suite: 260 | Avail SF: 56,087 SF Min Avail SF: 56,087 SF Max Contig SF: 56,087 SF Avail Date: Space Type: General Office Vacant: Existing Sublease: 110446696 Sublease Exp Date: | 2,599 2,599 2,599 | Lease Rate: TBD (Type: FSG) Tls: NNN, CAM: Parking Cost: | Term: For Sale: No |
| | Property Dev Type: General Office Property Status: Existing Property ID: 110446696 | ReLet: No Yes | Sublease Listing: CBRE Paul Lyles 408/453-7443 Notes: Centrally Located; Easy Access to Highway 237, Calaveras Blvd and I-680; Retail and Hotel Within Walking Distance; Ample On-Site Parking; High Ceiling Main Lobby With Stone Floor. | | |
|  | Hillview Executive Park 860 Hillview Ct Milpitas, CA 95035-0000 Floor: 1 Suite: 300 | Avail SF: 56,087 SF Min Avail SF: 56,087 SF Max Contig SF: 56,087 SF Avail Date: Space Type: General Office Vacant: Existing Sublease: 110446696 | 9,789 9,789 9,789 | Lease Rate: \$1.95 FSG Tls: NNN, CAM: Parking Cost: | Term: For Sale: No |
| | Property Dev Type: General Office Property Status: Existing Property ID: 110446696 | ReLet: Immediate Yes No | Listing: CBRE Mark Schmidt 408/453-7440 Notes: Main lobby entrance; Two large conference rooms; Seven privates; Break room; Large open area; Divisible; Reception area; Access to Highway 237, Calaveras Boulevard and I-680; Rich landscaping with tree shaded areas; Comcast Business Services available | | |
|  | Hillview Executive Park 860 Hillview Ct Milpitas, CA 95035-0000 Floor: 1 Suite: 310 | Avail SF: 56,087 SF Min Avail SF: 56,087 SF Max Contig SF: 56,087 SF Avail Date: Space Type: General Office Vacant: Existing Sublease: 110446696 | 4,156 4,156 4,156 | Lease Rate: \$1.95 FSG Tls: NNN, CAM: Parking Cost: | Term: For Sale: No |
| | Property Dev Type: General Office Property Status: Existing Property ID: 110446696 | ReLet: Yes Yes No | Listing: CBRE Mark Schmidt 408/453-7440 Notes: Centrally located in Milpitas; Easy access to 237, Calaveras Blvd, and 680; Nearby amenities; Ample on-site parking; High ceiling main lobby w/ stone floor; Rich landscaping w/ tree shaded areas; Comcast business services available. | | |

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Appendix E:
CBRE For Sale and Absorption Reports



| | Address | City | Property Info | Sale Info |
|----|-----------------------|----------|------------------------------------|----------------------------------|
| 1 | 1144-1158 Cadillac Ct | Milpitas | 12,638 SF Class B Office Building | Sale Price: \$435,000 |
| 2 | 354-372 Fairview Way | Milpitas | 15,513 SF Class B Office Building | Sale Price: \$288,800 |
| 3 | 354-372 Fairview Way | Milpitas | 15,513 SF Class B Office Building | Sale Price: \$425,000 |
| 4 | McCarthy Blvd | Milpitas | 124,040 SF Class B Office Building | Sale Price: an undisclosed price |
| 5 | McCarthy Blvd | Milpitas | 99,232 SF Class B Office Building | Sale Price: an undisclosed price |
| 6 | McCarthy Blvd | Milpitas | 99,232 SF Class B Office Building | Sale Price: an undisclosed price |
| 7 | McCarthy Blvd | Milpitas | 99,232 SF Class B Office Building | Sale Price: an undisclosed price |
| 8 | McCarthy Blvd | Milpitas | 99,232 SF Class B Office Building | Sale Price: an undisclosed price |
| 9 | McCarthy Blvd | Milpitas | 99,232 SF Class B Office Building | Sale Price: an undisclosed price |
| 10 | McCarthy Blvd | Milpitas | 99,232 SF Class B Office Building | Sale Price: an undisclosed price |
| 11 | McCarthy Blvd | Milpitas | 124,040 SF Class B Office Building | Sale Price: an undisclosed price |
| 12 | McCarthy Blvd | Milpitas | 124,040 SF Class B Office Building | Sale Price: an undisclosed price |
| 13 | 1708 McCarthy Blvd | Milpitas | 47,363 SF Class B Office Building | Sale Price: \$12,000,000 |
| 14 | 1851 McCarthy Blvd | Milpitas | 46,159 SF Class B Office Building | Sale Price: \$8,299,999 |



Availability and Vacancy Analysis

Grand Totals

| | Bldgs | Existing Rentable Bldg Area | Direct SF Vacant | Vacant Rate % | Direct w/ Sublet SF Vacant | Vacant % with Sublet | Total SF Available | Direct SF Available | Sublet SF Available | Max SF Contig | Avg Rate |
|--|-------|-----------------------------|------------------|---------------|----------------------------|----------------------|--------------------|---------------------|---------------------|---------------|------------|
| | 46 | 1,851,428 | 501,422 | 27.1% | 537,805 | 29.0% | 843,223 | 731,009 | 112,214 | 151,428 | \$19.40/fs |

Building Absorption Report

| Building | Quarter | Total Occupied SF | Leasing Activity | | | Net Absorption | | | Gross Absorption | | | Average Rate | | |
|--|---------|-------------------|------------------|--------|-------|----------------|--------|---------|------------------|--------|-------|--------------|--------|-------------|
| | | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| 1144-1158 Cadillac Ct Building C Milpitas, CA 95035 12,638 SF RBA | Current | 10,963 | 0 | 0 | 0 | 1,780 | 0 | 1,780 | 1,780 | 0 | 1,780 | \$17.38/nnn | - | \$17.38/nnn |
| | 2014 4Q | 9,183 | 1,780 | 0 | 1,780 | 0 | 0 | 0 | 0 | 0 | 0 | \$17.38/nnn | - | \$17.38/nnn |
| | 2014 3Q | 9,183 | 0 | 0 | 0 | (1,780) | 0 | (1,780) | 0 | 0 | 0 | \$17.38/nnn | - | \$17.38/nnn |
| | 2014 2Q | 10,963 | 0 | 0 | 0 | (1,675) | 0 | (1,675) | 0 | 0 | 0 | \$18.00/nnn | - | \$18.00/nnn |
| | 2014 1Q | 12,638 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$20.40/nnn | - | \$20.40/nnn |
| | 2013 4Q | 12,638 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$20.40/nnn | - | \$20.40/nnn |
| | 2013 3Q | 12,638 | 1,765 | 0 | 1,765 | 0 | 0 | 0 | 1,765 | 0 | 1,765 | \$20.40/nnn | - | \$20.40/nnn |
| | 2013 2Q | 12,638 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2013 1Q | 12,638 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2012 4Q | 12,638 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2012 3Q | 12,638 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2012 2Q | 12,638 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| 521-581 E Calaveras Blvd Milpitas, CA 95035 63,063 SF RBA | Current | 61,157 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 4Q | 61,157 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 3Q | 61,157 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 2Q | 61,157 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 1Q | 61,157 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$31.50/nnn | - | \$31.50/nnn |
| | 2013 4Q | 61,157 | 0 | 0 | 0 | (826) | 0 | (826) | 0 | 0 | 0 | \$31.50/nnn | - | \$31.50/nnn |
| | 2013 3Q | 61,983 | 3,344 | 0 | 3,344 | 3,390 | 0 | 3,390 | 3,390 | 0 | 3,390 | \$36.00/nnn | - | \$36.00/nnn |
| | 2013 2Q | 58,593 | 0 | 0 | 0 | (1,080) | 0 | (1,080) | 0 | 0 | 0 | \$36.00/nnn | - | \$36.00/nnn |
| | 2013 1Q | 59,673 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$36.00/nnn | - | \$36.00/nnn |
| | 2012 4Q | 59,673 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$36.00/nnn | - | \$36.00/nnn |
| | 2012 3Q | 59,673 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$36.00/nnn | - | \$36.00/nnn |
| | 2012 2Q | 59,673 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$36.00/nnn | - | \$36.00/nnn |
| 1181 E Calaveras Blvd Milpitas, CA 95035 7,379 SF RBA | Current | 1,190 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$18.00/nnn | - | \$18.00/nnn |
| | 2014 4Q | 1,190 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$18.00/nnn | - | \$18.00/nnn |
| | 2014 3Q | 1,190 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$18.00/nnn | - | \$18.00/nnn |
| | 2014 2Q | 1,190 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$18.00/nnn | - | \$18.00/nnn |
| | 2014 1Q | 1,190 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$18.00/nnn | - | \$18.00/nnn |
| | 2013 4Q | 1,190 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$18.00/nnn | - | \$18.00/nnn |
| | 2013 3Q | 1,190 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$18.00/nnn | - | \$18.00/nnn |
| | 2013 2Q | 1,190 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$18.00/nnn | - | \$18.00/nnn |
| | 2013 1Q | 1,190 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$18.00/nnn | - | \$18.00/nnn |
| | 2012 4Q | 1,190 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$18.00/nnn | - | \$18.00/nnn |
| | 2012 3Q | 1,190 | 0 | 0 | 0 | 1,189 | 0 | 1,189 | 1,189 | 0 | 1,189 | \$18.00/nnn | - | \$18.00/nnn |
| | 2012 2Q | 1 | 1,189 | 0 | 1,189 | 0 | 0 | 0 | 0 | 0 | 0 | \$18.00/nnn | - | \$18.00/nnn |

Building Absorption Report

| Building | Quarter | Total Occupied SF | Leasing Activity | | | Net Absorption | | | Gross Absorption | | | Average Rate | | |
|---|---------|-------------------|------------------|--------|--------|----------------|--------|----------|------------------|--------|-------------|--------------|-------------|-------------|
| | | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| 1521 California Cir California Circle Milpitas, CA 95035 24,892 SF RBA | Current | 12,446 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$14.64/nnn | - | \$14.64/nnn |
| | 2014 4Q | 12,446 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$14.64/nnn | - | \$14.64/nnn |
| | 2014 3Q | 12,446 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$14.64/nnn | - | \$14.64/nnn |
| | 2014 2Q | 12,446 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$14.64/nnn | - | \$14.64/nnn |
| | 2014 1Q | 12,446 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$14.64/nnn | - | \$14.64/nnn |
| | 2013 4Q | 12,446 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$14.64/nnn | - | \$14.64/nnn |
| | 2013 3Q | 12,446 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$14.64/nnn | - | \$14.64/nnn |
| | 2013 2Q | 12,446 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$14.64/nnn | - | \$14.64/nnn |
| | 2013 1Q | 12,446 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$11.40/nnn | - | \$11.40/nnn |
| | 2012 4Q | 12,446 | 0 | 0 | 0 | 0 | 12,446 | 12,446 | 0 | 12,446 | 12,446 | \$11.40/nnn | - | \$11.40/nnn |
| | 2012 3Q | 0 | 0 | 12,437 | 12,437 | 0 | 0 | 0 | 0 | 0 | 0 | \$11.40/nnn | \$10.80/nnn | \$11.20/nnn |
| 2012 2Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$11.40/nnn | \$10.80/nnn | \$11.20/nnn | |
| 1533 California Cir California Circle Milpitas, CA 95035 26,976 SF RBA | Current | 13,488 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$14.64/nnn | - | \$14.64/nnn |
| | 2014 4Q | 13,488 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$14.64/nnn | - | \$14.64/nnn |
| | 2014 3Q | 13,488 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$14.64/nnn | - | \$14.64/nnn |
| | 2014 2Q | 13,488 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$14.64/nnn | - | \$14.64/nnn |
| | 2014 1Q | 13,488 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$14.64/nnn | - | \$14.64/nnn |
| | 2013 4Q | 13,488 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$14.64/nnn | - | \$14.64/nnn |
| | 2013 3Q | 13,488 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$14.64/nnn | - | \$14.64/nnn |
| | 2013 2Q | 13,488 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$14.64/nnn | - | \$14.64/nnn |
| | 2013 1Q | 13,488 | 0 | 0 | 0 | 13,488 | 0 | 13,488 | 13,488 | 0 | 13,488 | \$11.40/nnn | - | \$11.40/nnn |
| | 2012 4Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$11.40/nnn | - | \$11.40/nnn |
| | 2012 3Q | 0 | 0 | 0 | 0 | (13,488) | 0 | (13,488) | 0 | 0 | 0 | \$11.40/nnn | - | \$11.40/nnn |
| 2012 2Q | 13,488 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$11.40/nnn | - | \$11.40/nnn | |
| 774-880 E Capitol Ave Bldg B Milpitas, CA 95035 10,490 SF RBA | Current | 3,905 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$25.20/nnn | - | \$25.20/nnn |
| | 2014 4Q | 3,905 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$25.20/nnn | - | \$25.20/nnn |
| | 2014 3Q | 3,905 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$25.20/nnn | - | \$25.20/nnn |
| | 2014 2Q | 3,905 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$25.20/nnn | - | \$25.20/nnn |
| | 2014 1Q | 3,905 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$25.20/nnn | - | \$25.20/nnn |
| | 2013 4Q | 3,905 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$25.20/nnn | - | \$25.20/nnn |
| | 2013 3Q | 3,905 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$25.20/nnn | - | \$25.20/nnn |
| | 2013 2Q | 3,905 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$25.20/nnn | - | \$25.20/nnn |
| | 2013 1Q | 3,905 | 0 | 0 | 0 | (5,785) | 0 | (5,785) | 0 | 0 | 0 | \$25.20/nnn | - | \$25.20/nnn |
| | 2012 4Q | 9,690 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2012 3Q | 9,690 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| 2012 2Q | 9,690 | 0 | 0 | 0 | 300 | 0 | 300 | 300 | 0 | 300 | \$39.00/nnn | - | \$39.00/nnn | |

Building Absorption Report

| Building | Quarter | Total Occupied SF | Leasing Activity | | | Net Absorption | | | Gross Absorption | | | Average Rate | | | | | | | |
|---|---------|-------------------|------------------|--------|---------|----------------|---------|---------|------------------|--------|--------|--------------|--------|--------|-------|------------|------------|------------|------------|
| | | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | | | | | |
| | | | | | | | | | | | | | | | | | | | |
| 1750-1798 Clear Lake Ave Parktown Office Bldg Milpitas, CA 95035 18,670 SF RBA | Current | 17,746 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$15.00/mg | \$15.00/mg | \$15.00/mg | |
| | 2014 4Q | 17,746 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$15.00/mg | \$15.00/mg | \$15.00/mg |
| | 2014 3Q | 17,746 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$15.00/mg | \$15.00/mg | \$15.00/mg |
| | 2014 2Q | 17,746 | 0 | 0 | 0 | (924) | 0 | (924) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$15.00/mg | \$15.00/mg | \$15.00/mg |
| | 2014 1Q | 18,670 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$15.00/fs | \$15.00/fs | \$15.00/fs |
| | 2013 4Q | 18,670 | 959 | 0 | 959 | 959 | 0 | 959 | 959 | 0 | 959 | 959 | 0 | 959 | 0 | 959 | \$15.00/fs | \$15.00/fs | \$15.00/fs |
| | 2013 3Q | 17,711 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$15.00/fs | \$15.00/fs | \$15.00/fs |
| | 2013 2Q | 17,711 | 549 | 0 | 549 | 549 | 0 | 549 | 549 | 0 | 549 | 549 | 0 | 549 | 0 | 549 | \$15.92/fs | \$15.92/fs | \$15.92/fs |
| | 2013 1Q | 17,162 | 0 | 0 | 0 | 1,540 | 0 | 1,540 | 1,540 | 0 | 1,540 | 1,540 | 0 | 1,540 | 0 | 1,540 | \$15.00/fs | \$15.00/fs | \$15.00/fs |
| | 2012 4Q | 15,622 | 2,089 | 0 | 2,089 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$14.35/fs | \$14.35/fs | \$14.35/fs |
| 2012 3Q | 15,622 | 0 | 0 | 0 | (2,629) | 0 | (2,629) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$14.35/fs | \$14.35/fs | \$14.35/fs | |
| 2012 2Q | 18,251 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$14.28/fs | \$14.28/fs | \$14.28/fs | |
| 830 Hillview Ct Bldg 1 Milpitas, CA 95035 73,926 SF RBA | Current | 70,076 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/fs | \$21.00/fs | \$21.00/fs |
| | 2014 4Q | 70,076 | 3,710 | 0 | 3,710 | 3,710 | 0 | 3,710 | 3,710 | 0 | 3,710 | 3,710 | 0 | 3,710 | 0 | 3,710 | \$21.00/fs | \$21.00/fs | \$21.00/fs |
| | 2014 3Q | 66,366 | 4,074 | 0 | 4,074 | 9,122 | 0 | 9,122 | 9,122 | 0 | 9,122 | 9,122 | 0 | 9,122 | 0 | 9,122 | \$21.00/fs | \$21.00/fs | \$21.00/fs |
| | 2014 2Q | 57,244 | 5,972 | 0 | 5,972 | (2,271) | 0 | (2,271) | 924 | 0 | 924 | 924 | 0 | 924 | 0 | 924 | \$21.00/fs | \$21.00/fs | \$21.00/fs |
| | 2014 1Q | 59,515 | 1,718 | 0 | 1,718 | (487) | 0 | (487) | 1,718 | 0 | 1,718 | 1,718 | 0 | 1,718 | 0 | 1,718 | \$21.00/fs | \$21.00/fs | \$21.00/fs |
| | 2013 4Q | 60,002 | 1,718 | 0 | 1,718 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/fs | \$21.00/fs | \$21.00/fs |
| | 2013 3Q | 60,002 | 1,203 | 0 | 1,203 | 1,203 | 0 | 1,203 | 1,203 | 0 | 1,203 | 1,203 | 0 | 1,203 | 0 | 1,203 | \$21.00/fs | \$21.00/fs | \$21.00/fs |
| | 2013 2Q | 58,799 | 0 | 0 | 0 | (1,203) | 0 | (1,203) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/fs | \$21.00/fs | \$21.00/fs |
| | 2013 1Q | 60,002 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/fs | \$21.00/fs | \$21.00/fs |
| | 2012 4Q | 60,002 | 1,203 | 0 | 1,203 | 1,203 | 0 | 1,203 | 1,203 | 0 | 1,203 | 1,203 | 0 | 1,203 | 0 | 1,203 | \$21.00/fs | \$21.00/fs | \$21.00/fs |
| 2012 3Q | 58,799 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/fs | \$21.00/fs | \$21.00/fs | |
| 2012 2Q | 58,799 | 0 | 0 | 0 | (9,616) | 0 | (9,616) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/fs | \$21.00/fs | \$21.00/fs | |
| 860 Hillview Ct Bldg 1 Milpitas, CA 95035 56,087 SF RBA | Current | 37,383 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$23.40/fs | \$23.40/fs | \$23.40/fs |
| | 2014 4Q | 39,982 | 5,170 | 0 | 5,170 | 1,903 | 0 | 1,903 | 5,170 | 0 | 5,170 | 5,170 | 0 | 5,170 | 0 | 5,170 | \$23.40/fs | \$23.40/fs | \$23.40/fs |
| | 2014 3Q | 38,079 | 9,469 | 0 | 9,469 | 5,297 | 0 | 5,297 | 9,469 | 0 | 9,469 | 9,469 | 0 | 9,469 | 0 | 9,469 | \$22.57/fs | \$22.57/fs | \$22.57/fs |
| | 2014 2Q | 32,782 | 7,836 | 0 | 7,836 | 7,836 | 0 | 7,836 | 7,836 | 0 | 7,836 | 7,836 | 0 | 7,836 | 0 | 7,836 | \$21.00/fs | \$21.00/fs | \$21.00/fs |
| | 2014 1Q | 24,946 | 0 | 0 | 0 | (9,345) | 0 | (9,345) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$18.75/fs | \$18.75/fs | \$18.75/fs |
| | 2013 4Q | 34,291 | 0 | 0 | 0 | 3,986 | 0 | 3,986 | 3,986 | 0 | 3,986 | 3,986 | 0 | 3,986 | 0 | 3,986 | \$19.08/fs | \$19.08/fs | \$19.08/fs |
| | 2013 3Q | 30,305 | 4,846 | 0 | 4,846 | 860 | 0 | 860 | 4,846 | 0 | 4,846 | 4,846 | 0 | 4,846 | 0 | 4,846 | \$18.47/fs | \$18.47/fs | \$18.47/fs |
| | 2013 2Q | 29,445 | 0 | 0 | 0 | 998 | 0 | 998 | 998 | 0 | 998 | 998 | 0 | 998 | 0 | 998 | \$21.00/fs | \$21.00/fs | \$21.00/fs |
| | 2013 1Q | 28,447 | 10,675 | 0 | 10,675 | 7,813 | 0 | 7,813 | 10,720 | 0 | 10,720 | 10,720 | 0 | 10,720 | 0 | 10,720 | \$21.00/fs | \$21.00/fs | \$21.00/fs |
| | 2012 4Q | 20,634 | 11,320 | 0 | 11,320 | 12,952 | 0 | 12,952 | 12,952 | 0 | 12,952 | 12,952 | 0 | 12,952 | 0 | 12,952 | \$21.00/fs | \$21.00/fs | \$21.00/fs |
| 2012 3Q | 7,682 | 0 | 0 | 0 | (5,982) | 0 | (5,982) | 3,986 | 0 | 3,986 | 3,986 | 0 | 3,986 | 0 | 3,986 | \$21.00/fs | \$21.00/fs | \$21.00/fs | |
| 2012 2Q | 13,664 | 3,986 | 0 | 3,986 | (435) | 0 | (435) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$20.84/fs | \$20.84/fs | \$20.84/fs | |

Building Absorption Report

| Building | Quarter | Total Occupied SF | Leasing Activity | | | Net Absorption | | | Gross Absorption | | | Average Rate | | |
|--|---------|-------------------|------------------|--------|--------|----------------|--------|---------|------------------|--------|--------|--------------|--------|-------------|
| | | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| 890 Hillview Ct Bldg 2 Milpitas, CA 95035 56,087 SF RBA | Current | 39,612 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/fs | - | \$21.00/fs |
| | 2014 4Q | 39,612 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/fs | - | \$21.00/fs |
| | 2014 3Q | 39,612 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/fs | - | \$21.00/fs |
| | 2014 2Q | 39,612 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/fs | - | \$21.00/fs |
| | 2014 1Q | 39,612 | 0 | 0 | 0 | 3,357 | 0 | 3,357 | 6,183 | 0 | 6,183 | \$18.00/fs | - | \$18.00/fs |
| | 2013 4Q | 36,255 | 6,183 | 0 | 6,183 | (5,364) | 0 | (5,364) | 0 | 0 | 0 | \$18.00/fs | - | \$18.00/fs |
| | 2013 3Q | 41,619 | 4,123 | 0 | 4,123 | (4,210) | 0 | (4,210) | 4,123 | 0 | 4,123 | \$19.35/fs | - | \$19.35/fs |
| | 2013 2Q | 45,829 | 1,998 | 0 | 1,998 | (2,125) | 0 | (2,125) | 1,998 | 0 | 1,998 | \$22.04/fs | - | \$22.04/fs |
| | 2013 1Q | 47,954 | 0 | 0 | 0 | (3,200) | 0 | (3,200) | 0 | 0 | 0 | \$21.00/fs | - | \$21.00/fs |
| | 2012 4Q | 51,154 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/fs | - | \$21.00/fs |
| | 2012 3Q | 51,154 | 0 | 0 | 0 | 10,924 | 0 | 10,924 | 10,924 | 0 | 10,924 | \$21.00/fs | - | \$21.00/fs |
| | 2012 2Q | 40,230 | 10,924 | 0 | 10,924 | 36,721 | 0 | 36,721 | 36,721 | 0 | 36,721 | \$16.49/fs | - | \$16.49/fs |
| 920 Hillview Ct Bldg 2 Milpitas, CA 95035 44,652 SF RBA | Current | 37,529 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/fs | - | \$21.00/fs |
| | 2014 4Q | 37,529 | 3,286 | 0 | 3,286 | 3,286 | 0 | 3,286 | 3,286 | 0 | 3,286 | \$21.00/fs | - | \$21.00/fs |
| | 2014 3Q | 34,243 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/fs | - | \$21.00/fs |
| | 2014 2Q | 34,243 | 0 | 0 | 0 | 1,634 | 0 | 1,634 | 1,634 | 0 | 1,634 | \$21.00/fs | - | \$21.00/fs |
| | 2014 1Q | 32,609 | 1,634 | 0 | 1,634 | 12,529 | 0 | 12,529 | 12,529 | 0 | 12,529 | \$21.00/fs | - | \$21.00/fs |
| | 2013 4Q | 20,080 | 12,529 | 0 | 12,529 | (9,590) | 0 | (9,590) | 0 | 0 | 0 | \$21.00/fs | - | \$21.00/fs |
| | 2013 3Q | 29,670 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/fs | - | \$21.00/fs |
| | 2013 2Q | 29,670 | 0 | 0 | 0 | 3,783 | 0 | 3,783 | 3,783 | 0 | 3,783 | \$21.00/fs | - | \$21.00/fs |
| | 2013 1Q | 25,887 | 3,738 | 0 | 3,738 | (4,916) | 0 | (4,916) | 3,783 | 0 | 3,783 | \$21.00/fs | - | \$21.00/fs |
| | 2012 4Q | 30,803 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/fs | - | \$21.00/fs |
| | 2012 3Q | 30,803 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/fs | - | \$21.00/fs |
| | 2012 2Q | 30,803 | 1,375 | 0 | 1,375 | (8,691) | 0 | (8,691) | 1,375 | 0 | 1,375 | \$21.00/fs | - | \$21.00/fs |
| 1120-1158 Jacklin Rd Jacklin Professional Center Milpitas, CA 95035 14,021 SF RBA | Current | 11,828 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$18.00/nnn | - | \$18.00/nnn |
| | 2014 4Q | 11,828 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$18.00/nnn | - | \$18.00/nnn |
| | 2014 3Q | 11,828 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$18.00/nnn | - | \$18.00/nnn |
| | 2014 2Q | 11,828 | 0 | 0 | 0 | (2,193) | 0 | (2,193) | 0 | 0 | 0 | \$18.00/nnn | - | \$18.00/nnn |
| | 2014 1Q | 14,021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$18.00/nnn | - | \$18.00/nnn |
| | 2013 4Q | 14,021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$18.00/nnn | - | \$18.00/nnn |
| | 2013 3Q | 14,021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$18.00/nnn | - | \$18.00/nnn |
| | 2013 2Q | 14,021 | 0 | 0 | 0 | 1,578 | 0 | 1,578 | 1,578 | 0 | 1,578 | \$18.00/nnn | - | \$18.00/nnn |
| | 2013 1Q | 12,443 | 1,578 | 0 | 1,578 | 0 | 0 | 0 | 3,736 | 0 | 3,736 | \$18.00/nnn | - | \$18.00/nnn |
| | 2012 4Q | 12,443 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$18.00/nnn | - | \$18.00/nnn |
| | 2012 3Q | 12,443 | 0 | 0 | 0 | 3,736 | 0 | 3,736 | 3,736 | 0 | 3,736 | \$18.00/nnn | - | \$18.00/nnn |
| | 2012 2Q | 8,707 | 3,736 | 0 | 3,736 | 0 | 0 | 0 | 0 | 0 | 0 | \$18.00/nnn | - | \$18.00/nnn |

Building Absorption Report

| Building | Quarter | Total Occupied SF | | | Leasing Activity | | | Net Absorption | | | Gross Absorption | | | Average Rate |
|---|---------|-------------------|--------|-------|------------------|--------|-------|----------------|--------|-------|------------------|--------|-------|--------------|
| | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | |
| 529 S Main St Milpitas, CA 95035 6,005 SF RBA | Current | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$15.00/nn |
| | 2014 4Q | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$15.00/nn |
| | 2014 3Q | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$15.00/nn |
| | 2014 2Q | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$15.00/nn |
| | 2014 1Q | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$15.00/nn |
| | 2013 4Q | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$15.00/nn |
| | 2013 3Q | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$15.00/nn |
| | 2013 2Q | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$15.00/nn |
| | 2013 1Q | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$15.00/nn |
| | 2012 4Q | 6,005 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| 621-643 S Main St Villa Milpitas Center Milpitas, CA 95035 10,749 SF RBA | Current | 10,749 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.60/mg |
| | 2014 4Q | 9,649 | 1,100 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.90/fts |
| | 2014 3Q | 9,649 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$40.20/fts |
| | 2014 2Q | 9,649 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$22.20/fts |
| | 2014 1Q | 9,649 | 1,100 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$22.20/fts |
| | 2013 4Q | 7,349 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$22.20/fts |
| | 2013 3Q | 7,949 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$22.20/fts |
| | 2013 2Q | 7,699 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$22.20/fts |
| | 2013 1Q | 10,749 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/mg |
| | 2012 4Q | 10,749 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/mg |
| 1633-1649 S Main St Bldg B Milpitas, CA 34,985 SF RBA | Current | 31,527 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$18.00/mg |
| | 2014 4Q | 31,527 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$14.40/mg |
| | 2014 3Q | 31,527 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$14.40/mg |
| | 2014 2Q | 30,242 | 6,085 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$14.40/mg |
| | 2014 1Q | 27,454 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$14.40/mg |
| | 2013 4Q | 27,454 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$11.88/mg |
| | 2013 3Q | 32,254 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$11.88/mg |
| | 2013 2Q | 33,539 | 2,496 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$10.20/fts |
| | 2013 1Q | 31,043 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$11.96/fts |
| | 2012 4Q | 31,043 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$15.00/fts |
| McCarthy Blvd Bldg 1 Milpitas, CA 95035 124,040 SF RBA | Current | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2012 2Q | 33,539 | 1,285 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$15.00/fts |
| | 2012 3Q | 33,539 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$15.00/fts |
| | 2012 4Q | 31,043 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$15.00/fts |
| | 2013 1Q | 31,043 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$11.96/fts |
| | 2013 2Q | 33,539 | 2,496 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$11.96/fts |
| | 2013 3Q | 32,254 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$10.20/fts |
| | 2013 4Q | 27,454 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$10.20/fts |
| | 2013 1Q | 27,454 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$11.88/mg |
| | 2012 2Q | 33,539 | 1,285 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$15.00/fts |

Building Absorption Report

| Building | Quarter | Total Occupied SF | Leasing Activity | | | Net Absorption | | | Gross Absorption | | | Average Rate | | |
|---|---------|-------------------|------------------|--------|--------|----------------|--------|-------|------------------|--------|-------------|--------------|-------------|-------------|
| | | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| McCarthy Blvd Bldg 2 Milpitas, CA 95035 124,040 SF RBA | Current | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| McCarthy Blvd Bldg 3 Milpitas, CA 95035 124,040 SF RBA | Current | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| McCarthy Blvd Bldg 4 Milpitas, CA 95035 99,232 SF RBA | Current | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| McCarthy Blvd Bldg 5 Milpitas, CA 95035 99,232 SF RBA | Current | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| McCarthy Blvd Bldg 6 Milpitas, CA 95035 99,232 SF RBA | Current | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| McCarthy Blvd Bldg 7 Milpitas, CA 95035 99,232 SF RBA | Current | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| McCarthy Blvd Bldg 9 Milpitas, CA 95035 99,232 SF RBA | Current | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| 1011 McCarthy Blvd Murphy Crossing - Bldg 2 Milpitas, CA 95035 74,026 SF RBA | Current | 74,026 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | \$18.00/nnn | \$18.00/nnn |
| | 2014 4Q | 74,026 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | \$18.00/nnn | \$18.00/nnn |
| | 2014 3Q | 74,026 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | \$18.00/nnn | \$18.00/nnn |
| | 2014 2Q | 74,026 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | \$19.80/nnn | \$19.80/nnn |
| | 2014 1Q | 74,026 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | \$19.80/nnn | \$19.80/nnn |
| | 2013 4Q | 74,026 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2013 3Q | 74,026 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2013 2Q | 74,026 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$22.80/nnn | - | \$22.80/nnn |
| | 2013 1Q | 74,026 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$22.80/nnn | - | \$22.80/nnn |
| | 2012 4Q | 74,026 | 72,580 | 0 | 72,580 | 0 | 0 | 0 | 0 | 0 | 0 | \$22.80/nnn | - | \$22.80/nnn |
| 2012 3Q | 74,026 | 72,580 | 0 | 72,580 | 0 | 0 | 0 | 0 | 0 | 0 | \$22.80/nnn | - | \$22.80/nnn | |
| 2012 2Q | 74,026 | 74,026 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$22.80/nnn | - | \$22.80/nnn | |

Building Absorption Report

| Building | Quarter | Total Occupied SF | Leasing Activity | | | Net Absorption | | | Gross Absorption | | | Average Rate | | |
|--|---------|-------------------|------------------|--------|-------|----------------|--------|-----------|------------------|--------|--------|--------------|------------|-------------|
| | | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| 1501 McCarthy Blvd Milpitas, CA 95035 132,179 SF RBA | Current | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$22.20/nnn | - | \$22.20/nnn |
| | 2014 4Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$19.80/nnn | - | \$19.80/nnn |
| | 2014 3Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$19.80/nnn | - | \$19.80/nnn |
| | 2014 2Q | 0 | 0 | 0 | 0 | (3,359) | 0 | (3,359) | 0 | 0 | 0 | \$19.80/nnn | - | \$19.80/nnn |
| | 2014 1Q | 3,359 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$9.00/nnn | - | \$9.00/nnn |
| | 2013 4Q | 3,359 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$9.00/nnn | - | \$9.00/nnn |
| | 2013 3Q | 3,359 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$9.00/nnn | - | \$9.00/nnn |
| | 2013 2Q | 3,359 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$9.00/nnn | - | \$9.00/nnn |
| | 2013 1Q | 3,359 | 0 | 0 | 0 | (128,820) | 0 | (128,820) | 0 | 0 | 0 | \$9.00/nnn | - | \$9.00/nnn |
| | 2012 4Q | 132,179 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$9.00/nnn | - | \$9.00/nnn |
| | 2012 3Q | 132,179 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$9.00/nnn | - | \$9.00/nnn |
| | 2012 2Q | 132,179 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$9.00/nnn | - | \$9.00/nnn |
| 1525 McCarthy Blvd Milpitas, CA 95035 76,284 SF RBA | Current | 76,284 | 0 | 0 | 0 | 3,206 | 0 | 3,206 | 3,206 | 0 | 3,206 | \$22.20/fs | - | \$22.20/fs |
| | 2014 4Q | 73,078 | 3,206 | 0 | 3,206 | 3,163 | 0 | 3,163 | 3,163 | 0 | 3,163 | \$22.20/fs | - | \$22.20/fs |
| | 2014 3Q | 69,915 | 3,163 | 0 | 3,163 | 1,982 | 0 | 1,982 | 1,982 | 0 | 1,982 | \$21.00/fs | - | \$21.00/fs |
| | 2014 2Q | 67,933 | 1,982 | 0 | 1,982 | 2,932 | 0 | 2,932 | 2,932 | 0 | 2,932 | \$21.00/fs | - | \$21.00/fs |
| | 2014 1Q | 65,001 | 0 | 0 | 0 | (1,982) | 0 | (1,982) | 0 | 0 | 0 | \$20.65/fs | - | \$20.65/fs |
| | 2013 4Q | 66,983 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$20.58/fs | - | \$20.58/fs |
| | 2013 3Q | 66,983 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$20.58/fs | - | \$20.58/fs |
| | 2013 2Q | 66,983 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$20.58/fs | - | \$20.58/fs |
| | 2013 1Q | 66,983 | 0 | 0 | 0 | (1,626) | 0 | (1,626) | 0 | 0 | 0 | \$20.58/fs | - | \$20.58/fs |
| | 2012 4Q | 68,609 | 0 | 0 | 0 | (6,369) | 0 | (6,369) | 0 | 0 | 0 | \$20.49/fs | - | \$20.49/fs |
| | 2012 3Q | 74,978 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$18.00/fs | - | \$18.00/fs |
| | 2012 2Q | 74,978 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$18.00/fs | - | \$18.00/fs |
| 1551 McCarthy Blvd Milpitas, CA 95035 48,926 SF RBA | Current | 45,451 | 1,991 | 0 | 1,991 | (1,991) | 0 | (1,991) | 0 | 0 | 0 | \$22.20/mg | - | \$22.20/mg |
| | 2014 4Q | 47,442 | 1,841 | 0 | 1,841 | 1,841 | 0 | 1,841 | 1,841 | 0 | 1,841 | \$22.20/mg | - | \$22.20/mg |
| | 2014 3Q | 45,601 | 0 | 0 | 0 | (3,325) | 0 | (3,325) | 0 | 0 | 0 | \$22.20/mg | - | \$22.20/mg |
| | 2014 2Q | 48,926 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$18.42/mg | - | \$18.42/mg |
| | 2014 1Q | 48,926 | 8,091 | 0 | 8,091 | 6,065 | 0 | 6,065 | 8,091 | 0 | 8,091 | \$18.42/mg | - | \$18.42/mg |
| | 2013 4Q | 42,861 | 800 | 0 | 800 | 0 | 0 | 0 | 4,164 | 0 | 4,164 | \$18.38/mg | - | \$18.38/mg |
| | 2013 3Q | 42,861 | 3,364 | 0 | 3,364 | 0 | 0 | 0 | 0 | 0 | 0 | \$18.00/mg | - | \$18.00/mg |
| | 2013 2Q | 42,861 | 9,884 | 0 | 9,884 | 7,878 | 0 | 7,878 | 9,884 | 0 | 9,884 | \$16.80/mg | - | \$16.80/mg |
| | 2013 1Q | 34,983 | 908 | 0 | 908 | (4,449) | 0 | (4,449) | 908 | 0 | 908 | \$16.80/mg | - | \$16.80/mg |
| | 2012 4Q | 39,432 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$16.80/mg | - | \$16.80/mg |
| | 2012 3Q | 39,432 | 5,909 | 0 | 5,909 | 1,227 | 4,782 | 6,009 | 5,889 | 4,782 | 10,671 | \$18.67/mg | - | \$18.67/mg |
| | 2012 2Q | 33,423 | 1,991 | 0 | 1,991 | 1,991 | 0 | 1,991 | 1,991 | 0 | 1,991 | \$12.32/mg | \$11.88/fs | \$12.32/mg |

Building Absorption Report

| Building | Quarter | Total Occupied SF | Leasing Activity | | | Net Absorption | | | Gross Absorption | | | Average Rate | | |
|--|---------|-------------------|------------------|--------|---------|----------------|----------|---------|------------------|--------|-------------|--------------|-------------|-------------|
| | | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| 1656 McCarthy Blvd <i>Milpitas, CA 95035</i> 80,060 SF RBA | Current | 80,060 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2014 4Q | 80,060 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2014 3Q | 80,060 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2014 2Q | 80,060 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2014 1Q | 80,060 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2013 4Q | 80,060 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2013 3Q | 80,060 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2013 2Q | 80,060 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2013 1Q | 80,060 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2012 4Q | 80,060 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2012 3Q | 80,060 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| 2012 2Q | 80,060 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - | |
| 1900 McCarthy Blvd 1900 Bldg <i>Milpitas, CA 95035</i> 76,616 SF RBA | Current | 73,865 | 0 | 0 | 0 | 0 | 4,123 | 4,123 | 0 | 4,123 | 4,123 | \$25.80/fs | - | \$25.80/fs |
| | 2014 4Q | 69,742 | 0 | 0 | 0 | 2,337 | 5,828 | 8,165 | 2,337 | 5,828 | 8,165 | \$25.80/fs | \$18.00/fs | \$21.12/fs |
| | 2014 3Q | 81,577 | 6,975 | 0 | 6,975 | (30) | 0 | (30) | 4,638 | 0 | 4,638 | \$23.40/fs | \$18.66/fs | \$21.00/fs |
| | 2014 2Q | 61,607 | 0 | 5,828 | 5,828 | 0 | 1,141 | 1,141 | 0 | 5,264 | 5,264 | \$23.40/fs | \$19.32/fs | \$20.34/fs |
| | 2014 1Q | 60,466 | 0 | 5,264 | 5,264 | 0 | 0 | 0 | 0 | 0 | 0 | \$23.40/fs | \$18.69/fs | \$20.17/fs |
| | 2013 4Q | 60,466 | 3,657 | 0 | 3,657 | 7,304 | 0 | 7,304 | 9,611 | 0 | 9,611 | \$23.15/fs | \$18.69/fs | \$20.65/fs |
| | 2013 3Q | 53,162 | 19,894 | 0 | 19,894 | 17,380 | (11,092) | 6,288 | 18,194 | 0 | 18,194 | \$21.80/fs | \$18.69/fs | \$20.45/fs |
| | 2013 2Q | 46,874 | 4,254 | 0 | 4,254 | (8,789) | 0 | (8,789) | 0 | 0 | 0 | \$21.00/fs | - | \$21.00/fs |
| | 2013 1Q | 55,663 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/fs | - | \$21.00/fs |
| | 2012 4Q | 55,663 | 5,591 | 0 | 5,591 | 5,598 | 0 | 5,598 | 5,598 | 0 | 5,598 | \$20.62/fs | - | \$20.62/fs |
| | 2012 3Q | 50,065 | 0 | 0 | 0 | 12,981 | 0 | 12,981 | 12,981 | 0 | 12,981 | \$19.20/fs | - | \$19.20/fs |
| 2012 2Q | 37,084 | 14,339 | 0 | 14,339 | (9,620) | 0 | (9,620) | 1,358 | 0 | 1,358 | \$19.20/fs | - | \$19.20/fs | |
| 490 N McCarthy Blvd Bldg 2 <i>Milpitas, CA 95035</i> 53,666 SF RBA | Current | 53,666 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2014 4Q | 53,666 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2014 3Q | 53,666 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2014 2Q | 53,666 | 0 | 0 | 0 | 0 | 0 | 0 | 12,831 | 0 | 12,831 | - | - | - |
| | 2014 1Q | 53,666 | 12,831 | 0 | 12,831 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2013 4Q | 53,666 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2013 3Q | 53,666 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2013 2Q | 53,666 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2013 1Q | 53,666 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$15.00/nnn | - | \$15.00/nnn |
| | 2012 4Q | 53,666 | 0 | 0 | 0 | 39,664 | 0 | 39,664 | 39,664 | 0 | 39,664 | \$15.00/nnn | - | \$15.00/nnn |
| | 2012 3Q | 14,002 | 12,854 | 0 | 12,854 | 0 | 0 | 0 | 0 | 0 | 0 | \$15.00/nnn | - | \$15.00/nnn |
| 2012 2Q | 14,002 | 26,833 | 0 | 26,833 | 0 | 0 | 0 | 0 | 0 | 0 | \$15.00/nnn | - | \$15.00/nnn | |

Building Absorption Report

| Building | Quarter | Total Occupied SF | | | Leasing Activity | | | Net Absorption | | | Gross Absorption | | | Average Rate |
|---|---------|-------------------|--------|--------|------------------|--------|-------|----------------|--------|-------|------------------|--------|-------|--------------|
| | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | |
| 840 N McCarthy Blvd Milpitas, CA 95035 Bldg 12 62,874 SF RBA | Current | 62,874 | 0 | 62,874 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2014 4Q | 62,874 | 0 | 62,874 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2014 3Q | 62,874 | 0 | 62,874 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2014 2Q | 62,874 | 0 | 62,874 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2014 1Q | 62,874 | 0 | 62,874 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2013 4Q | 62,874 | 0 | 62,874 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2013 3Q | 62,874 | 0 | 62,874 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2013 2Q | 62,874 | 0 | 62,874 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2013 1Q | 62,874 | 0 | 62,874 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2012 4Q | 62,874 | 0 | 62,874 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| 820 N McCarthy Blvd Milpitas, CA 95035 Bldg 11 53,284 SF RBA | Current | 31,551 | 0 | 31,551 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2014 4Q | 31,551 | 0 | 31,551 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2014 3Q | 31,551 | 0 | 31,551 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2014 2Q | 31,551 | 0 | 31,551 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2014 1Q | 31,551 | 0 | 31,551 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2013 4Q | 31,551 | 0 | 31,551 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2013 3Q | 31,551 | 0 | 31,551 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2013 2Q | 53,284 | 0 | 53,284 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2013 1Q | 53,284 | 0 | 53,284 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2012 4Q | 53,284 | 0 | 53,284 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| 680 N McCarthy Blvd Milpitas, CA 95035 Bldg 9 62,874 SF RBA | Current | 48,620 | 0 | 48,620 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2014 4Q | 62,874 | 0 | 62,874 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2014 3Q | 62,874 | 15,126 | 78,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2014 2Q | 62,874 | 0 | 62,874 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2014 1Q | 62,874 | 0 | 62,874 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2013 4Q | 62,874 | 0 | 62,874 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2013 3Q | 62,874 | 0 | 62,874 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2013 2Q | 62,874 | 0 | 62,874 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2013 1Q | 62,874 | 0 | 62,874 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2012 4Q | 62,874 | 0 | 62,874 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| 820 N McCarthy Blvd Milpitas, CA 95035 Bldg 11 53,284 SF RBA | Current | 31,551 | 0 | 31,551 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2014 4Q | 31,551 | 0 | 31,551 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2014 3Q | 31,551 | 0 | 31,551 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2014 2Q | 31,551 | 0 | 31,551 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2014 1Q | 31,551 | 0 | 31,551 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2013 4Q | 31,551 | 0 | 31,551 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2013 3Q | 31,551 | 0 | 31,551 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2013 2Q | 53,284 | 0 | 53,284 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2013 1Q | 53,284 | 0 | 53,284 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2012 4Q | 53,284 | 0 | 53,284 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| 680 N McCarthy Blvd Milpitas, CA 95035 Bldg 9 62,874 SF RBA | Current | 48,620 | 0 | 48,620 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2014 4Q | 62,874 | 0 | 62,874 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2014 3Q | 62,874 | 15,126 | 78,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2014 2Q | 62,874 | 0 | 62,874 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2014 1Q | 62,874 | 0 | 62,874 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2013 4Q | 62,874 | 0 | 62,874 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2013 3Q | 62,874 | 0 | 62,874 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2013 2Q | 62,874 | 0 | 62,874 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2013 1Q | 62,874 | 0 | 62,874 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2012 4Q | 62,874 | 0 | 62,874 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| 840 N McCarthy Blvd Milpitas, CA 95035 Bldg 12 62,874 SF RBA | Current | 62,874 | 0 | 62,874 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2014 4Q | 62,874 | 0 | 62,874 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2014 3Q | 62,874 | 0 | 62,874 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2014 2Q | 62,874 | 0 | 62,874 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2014 1Q | 62,874 | 0 | 62,874 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2013 4Q | 62,874 | 0 | 62,874 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2013 3Q | 62,874 | 0 | 62,874 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2013 2Q | 62,874 | 0 | 62,874 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2013 1Q | 62,874 | 0 | 62,874 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2012 4Q | 62,874 | 0 | 62,874 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |

Building Absorption Report

| Building | Quarter | Total Occupied SF | Leasing Activity | | | Net Absorption | | | Gross Absorption | | | Average Rate | | |
|---|---------|-------------------|------------------|--------|--------|----------------|--------|--------|------------------|--------|-------------|--------------|-------------|-------------|
| | | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| 860 N McCarthy Blvd Bldg 73 Milpitas, CA 95035 53,284 SF RBA | Current | 26,642 | 0 | 0 | 0 | 26,642 | 0 | 26,642 | 26,642 | 0 | 26,642 | \$10.80/nnn | - | \$10.80/nnn |
| | 2014 4Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$10.80/nnn | - | \$10.80/nnn |
| | 2014 3Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$10.80/nnn | - | \$10.80/nnn |
| | 2014 2Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$10.80/nnn | - | \$10.80/nnn |
| | 2014 1Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$10.80/nnn | - | \$10.80/nnn |
| | 2013 4Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$10.80/nnn | - | \$10.80/nnn |
| | 2013 3Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$10.80/nnn | - | \$10.80/nnn |
| | 2013 2Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$12.00/nnn | - | \$12.00/nnn |
| | 2013 1Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$12.00/nnn | - | \$12.00/nnn |
| | 2012 4Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$12.00/nnn | - | \$12.00/nnn |
| 2012 3Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$12.00/nnn | - | \$12.00/nnn | |
| 2012 2Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$15.00/nnn | - | \$15.00/nnn | |
| 880 N McCarthy Blvd Bldg 15 Milpitas, CA 95035 62,674 SF RBA | Current | 31,237 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$10.80/nnn | - | \$10.80/nnn |
| | 2014 4Q | 31,237 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$10.80/nnn | - | \$10.80/nnn |
| | 2014 3Q | 31,237 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$10.80/nnn | - | \$10.80/nnn |
| | 2014 2Q | 31,237 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$10.80/nnn | - | \$10.80/nnn |
| | 2014 1Q | 31,237 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$10.80/nnn | - | \$10.80/nnn |
| | 2013 4Q | 31,237 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$10.80/nnn | - | \$10.80/nnn |
| | 2013 3Q | 31,237 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$10.80/nnn | - | \$10.80/nnn |
| | 2013 2Q | 31,237 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$12.00/nnn | - | \$12.00/nnn |
| | 2013 1Q | 31,237 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$12.00/nnn | - | \$12.00/nnn |
| | 2012 4Q | 31,237 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$12.00/nnn | - | \$12.00/nnn |
| 2012 3Q | 31,237 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$15.00/nnn | - | \$15.00/nnn | |
| 2012 2Q | 31,237 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$15.00/nnn | - | \$15.00/nnn | |
| 890 N McCarthy Blvd Bldg 16 Milpitas, CA 95035 43,694 SF RBA | Current | 43,694 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2014 4Q | 43,694 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2014 3Q | 43,694 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2014 2Q | 43,694 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$12.00/nnn | - | \$12.00/nnn |
| | 2014 1Q | 43,694 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$12.00/nnn | - | \$12.00/nnn |
| | 2013 4Q | 43,694 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$12.00/nnn | - | \$12.00/nnn |
| | 2013 3Q | 32,740 | 10,954 | 0 | 10,954 | 0 | 10,954 | 0 | 10,954 | 0 | 10,954 | \$12.00/nnn | - | \$12.00/nnn |
| | 2013 2Q | 32,770 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$12.00/nnn | - | \$12.00/nnn |
| | 2013 1Q | 32,770 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$12.00/nnn | - | \$12.00/nnn |
| | 2012 4Q | 32,770 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$12.00/nnn | - | \$12.00/nnn |
| 2012 3Q | 32,770 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$12.00/nnn | - | \$12.00/nnn | |
| 2012 2Q | 32,770 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$15.00/nnn | - | \$15.00/nnn | |

Building Absorption Report

| Building | Quarter | Total Occupied SF | Leasing Activity | | | Net Absorption | | | Gross Absorption | | | Average Rate | | |
|--|--|-------------------|------------------|--------|-------|----------------|--------|--------|------------------|--------|--------|--------------|------------|-------------|
| | | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| 920 N McCarthy Blvd Bldg 17 Milpitas, CA 95035 53,666 SF RBA | Current | 53,666 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$10.80/nnn | - | \$10.80/nnn |
| | 2014 4Q | 53,666 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$10.80/nnn | - | \$10.80/nnn |
| | 2014 3Q | 53,666 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$10.80/nnn | - | \$10.80/nnn |
| | 2014 2Q | 53,666 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$10.80/nnn | - | \$10.80/nnn |
| | 2014 1Q | 53,666 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$10.80/nnn | - | \$10.80/nnn |
| | 2013 4Q | 53,666 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$10.80/nnn | - | \$10.80/nnn |
| | 2013 3Q | 53,666 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$10.80/nnn | - | \$10.80/nnn |
| | 2013 2Q | 53,666 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$12.00/nnn | - | \$12.00/nnn |
| | 2013 1Q | 53,666 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$12.00/nnn | - | \$12.00/nnn |
| | 2012 4Q | 53,666 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$12.00/nnn | - | \$12.00/nnn |
| | 2012 3Q | 53,666 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$12.00/nnn | - | \$12.00/nnn |
| | 2012 2Q | 53,666 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$15.00/nnn | - | \$15.00/nnn |
| | 673 Milpitas Blvd Milpitas, CA 95035 44,550 SF RBA | Current | 44,550 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$23.40/fs | - |
| 2014 4Q | | 44,550 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$23.40/fs | - | \$23.40/fs |
| 2014 3Q | | 44,550 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| 2014 2Q | | 44,550 | 0 | 0 | 0 | 22,404 | 0 | 22,404 | 22,404 | 0 | 22,404 | - | - | - |
| 2014 1Q | | 22,146 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| 2013 4Q | | 22,146 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$15.00/fs | - | \$15.00/fs |
| 2013 3Q | | 22,146 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$15.00/fs | - | \$15.00/fs |
| 2013 2Q | | 22,146 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$15.00/fs | - | \$15.00/fs |
| 2013 1Q | | 22,146 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$15.00/fs | - | \$15.00/fs |
| 2012 4Q | | 22,146 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$15.00/fs | - | \$15.00/fs |
| 2012 3Q | | 22,146 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$15.00/fs | - | \$15.00/fs |
| 2012 2Q | | 22,146 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$15.00/fs | - | \$15.00/fs |
| 100 N Milpitas Blvd Shapell Bldg Milpitas, CA 95035 39,518 SF RBA | | Current | 36,112 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/fs | - |
| | 2014 4Q | 36,112 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/fs | - | \$21.00/fs |
| | 2014 3Q | 36,112 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/fs | - | \$21.00/fs |
| | 2014 2Q | 36,112 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/fs | - | \$21.00/fs |
| | 2014 1Q | 36,112 | 0 | 0 | 0 | 3,726 | 0 | 3,726 | 3,726 | 0 | 3,726 | \$21.00/fs | - | \$21.00/fs |
| | 2013 4Q | 32,386 | 3,726 | 0 | 3,726 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/fs | - | \$21.00/fs |
| | 2013 3Q | 32,386 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/fs | - | \$21.00/fs |
| | 2013 2Q | 32,386 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/fs | - | \$21.00/fs |
| | 2013 1Q | 32,386 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/fs | - | \$21.00/fs |
| | 2012 4Q | 32,386 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/fs | - | \$21.00/fs |
| | 2012 3Q | 32,386 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/fs | - | \$21.00/fs |
| | 2012 2Q | 32,386 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/fs | - | \$21.00/fs |

Building Absorption Report

| Building | Quarter | Total Occupied SF | Leasing Activity | | | Net Absorption | | | Gross Absorption | | | Average Rate | | |
|--|---------|-------------------|------------------|--------|--------|----------------|--------|----------|------------------|--------|------------|--------------|------------|-------------|
| | | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| 691 S Milpitas Blvd <i>Project #5 Bldg</i> <i>Milpitas, CA 95035</i> <i>104,000 SF RBA</i> | Current | 55,084 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$22.20/fs | - | \$22.20/fs |
| | 2014 4Q | 55,084 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$22.20/fs | - | \$22.20/fs |
| | 2014 3Q | 55,084 | 0 | 0 | 0 | 0 | 0 | 0 | 12,952 | 0 | 12,952 | \$22.20/fs | - | \$22.20/fs |
| | 2014 2Q | 55,084 | 12,952 | 0 | 12,952 | 10,355 | 0 | 10,355 | 10,355 | 0 | 10,355 | \$13.20/nnn | - | \$13.20/nnn |
| | 2014 1Q | 44,729 | 10,355 | 0 | 10,355 | 0 | 0 | 0 | 0 | 0 | 0 | \$13.20/nnn | - | \$13.20/nnn |
| | 2013 4Q | 44,729 | 0 | 0 | 0 | (37,754) | 0 | (37,754) | 0 | 0 | 0 | \$21.00/fs | - | \$21.00/fs |
| | 2013 3Q | 82,483 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/fs | - | \$21.00/fs |
| | 2013 2Q | 82,483 | 0 | 0 | 0 | 414 | 0 | 414 | 6,285 | 0 | 6,285 | \$21.00/fs | - | \$21.00/fs |
| | 2013 1Q | 82,069 | 6,254 | 0 | 6,254 | 0 | 0 | 0 | 0 | 0 | 0 | \$19.80/fs | - | \$19.80/fs |
| | 2012 4Q | 82,069 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$19.80/fs | - | \$19.80/fs |
| | 2012 3Q | 82,069 | 0 | 0 | 0 | (5,987) | 0 | (5,987) | 0 | 0 | 0 | \$19.80/fs | - | \$19.80/fs |
| 2012 2Q | 88,056 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - | |
| 1346-1376 Minnis Cir <i>Milpitas, CA 95035</i> <i>19,533 SF RBA</i> | Current | 14,733 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$13.20/mg | - | \$13.20/mg |
| | 2014 4Q | 14,733 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$13.20/mg | - | \$13.20/mg |
| | 2014 3Q | 14,733 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$13.20/mg | - | \$13.20/mg |
| | 2014 2Q | 14,733 | 0 | 0 | 0 | 2,400 | 0 | 2,400 | 2,400 | 0 | 2,400 | \$13.20/mg | - | \$13.20/mg |
| | 2014 1Q | 12,333 | 2,400 | 0 | 2,400 | 0 | 0 | 0 | 0 | 0 | 0 | \$12.40/mg | - | \$12.40/mg |
| | 2013 4Q | 12,333 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$12.40/mg | - | \$12.40/mg |
| | 2013 3Q | 12,333 | 0 | 0 | 0 | (2,400) | 0 | (2,400) | 0 | 0 | 0 | \$12.40/mg | - | \$12.40/mg |
| | 2013 2Q | 14,733 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$12.00/mg | - | \$12.00/mg |
| | 2013 1Q | 14,733 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$12.00/mg | - | \$12.00/mg |
| | 2012 4Q | 14,733 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$12.00/mg | - | \$12.00/mg |
| | 2012 3Q | 14,733 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$12.00/mg | - | \$12.00/mg |
| 2012 2Q | 14,733 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$12.00/mg | - | \$12.00/mg | |
| 720 Montague Expy <i>Milpitas, CA 95035</i> <i>39,976 SF RBA</i> | Current | 30,294 | 0 | 0 | 0 | (1,722) | 0 | (1,722) | 0 | 0 | 0 | \$10.20/mg | - | \$10.20/mg |
| | 2014 4Q | 32,016 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$11.16/mg | - | \$11.16/mg |
| | 2014 3Q | 32,016 | 0 | 0 | 0 | 700 | 0 | 700 | 700 | 0 | 700 | \$11.16/mg | - | \$11.16/mg |
| | 2014 2Q | 31,316 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$11.16/mg | - | \$11.16/mg |
| | 2014 1Q | 31,316 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$11.16/mg | - | \$11.16/mg |
| | 2013 4Q | 31,316 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$11.16/mg | - | \$11.16/mg |
| | 2013 3Q | 31,316 | 2,800 | 0 | 2,800 | 0 | 0 | 0 | 0 | 0 | 0 | \$11.16/mg | - | \$11.16/mg |
| | 2013 2Q | 31,316 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$11.16/mg | - | \$11.16/mg |
| | 2013 1Q | 31,316 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$11.16/mg | - | \$11.16/mg |
| | 2012 4Q | 31,316 | 0 | 0 | 0 | 7,078 | 0 | 7,078 | 9,878 | 0 | 9,878 | \$11.16/mg | - | \$11.16/mg |
| | 2012 3Q | 24,238 | 9,849 | 0 | 9,849 | 0 | 0 | 0 | 0 | 0 | 0 | \$8.59/nnn | - | \$8.59/nnn |
| 2012 2Q | 24,238 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$8.59/nnn | - | \$8.59/nnn | |

Building Absorption Report

| Building | Quarter | Total Occupied SF | Leasing Activity | | | Net Absorption | | | Gross Absorption | | | Average Rate | | |
|---|---------|-------------------|------------------|--------|--------|----------------|--------|----------|------------------|--------|-------------|--------------|-------------|-------------|
| | | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| 911-915 Murphy Ranch Rd Bldg 5 Milpitas, CA 95035 92,220 SF RBA | Current | 2,310 | 0 | 0 | 0 | 0 | 2,310 | 2,310 | 0 | 2,310 | 2,310 | - | - | - |
| | 2014 4Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2014 3Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | \$19.80/nnn | \$19.80/nnn |
| | 2014 2Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | \$19.80/nnn | \$19.80/nnn |
| | 2014 1Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | \$19.80/nnn | \$19.80/nnn |
| | 2013 4Q | 0 | 0 | 0 | 0 | (70,380) | 17,791 | (52,589) | 0 | 17,791 | 17,791 | - | - | - |
| | 2013 3Q | 52,589 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | \$5.88/nnn | \$5.88/nnn |
| | 2013 2Q | 52,589 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | \$5.88/nnn | \$5.88/nnn |
| | 2013 1Q | 52,589 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | \$5.88/nnn | \$5.88/nnn |
| | 2012 4Q | 52,589 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | \$5.88/nnn | \$5.88/nnn |
| 2012 3Q | 52,589 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | \$5.88/nnn | \$5.88/nnn | |
| 2012 2Q | 52,589 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | \$5.88/nnn | \$5.88/nnn | |
| 40 N Park Victoria Dr Park Victoria Medical Center Milpitas, CA 95035 7,114 SF RBA | Current | 5,294 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$28.20/mg | - | \$28.20/mg |
| | 2014 4Q | 5,294 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$28.20/mg | - | \$28.20/mg |
| | 2014 3Q | 5,294 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$28.20/mg | - | \$28.20/mg |
| | 2014 2Q | 5,294 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$28.20/mg | - | \$28.20/mg |
| | 2014 1Q | 5,294 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$28.20/mg | - | \$28.20/mg |
| | 2013 4Q | 5,294 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$28.20/mg | - | \$28.20/mg |
| | 2013 3Q | 5,294 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$28.20/mg | - | \$28.20/mg |
| | 2013 2Q | 5,294 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$28.20/mg | - | \$28.20/mg |
| | 2013 1Q | 5,294 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$28.20/mg | - | \$28.20/mg |
| | 2012 4Q | 5,294 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$28.20/mg | - | \$28.20/mg |
| 2012 3Q | 5,294 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$28.20/mg | - | \$28.20/mg | |
| 2012 2Q | 5,294 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$28.20/mg | - | \$28.20/mg | |
| 501 Sycamore Dr Milpitas, CA 95035 71,472 SF RBA | Current | 37,622 | 0 | 0 | 0 | (78) | 0 | (78) | 0 | 0 | 0 | \$11.40/nnn | - | \$11.40/nnn |
| | 2014 4Q | 37,700 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$11.40/nnn | - | \$11.40/nnn |
| | 2014 3Q | 37,700 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$11.40/nnn | - | \$11.40/nnn |
| | 2014 2Q | 37,700 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$11.40/nnn | - | \$11.40/nnn |
| | 2014 1Q | 37,700 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$11.40/nnn | - | \$11.40/nnn |
| | 2013 4Q | 37,700 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$11.40/nnn | - | \$11.40/nnn |
| | 2013 3Q | 37,700 | 0 | 0 | 0 | 35,937 | 0 | 35,937 | 35,949 | 0 | 35,949 | \$11.40/nnn | - | \$11.40/nnn |
| | 2013 2Q | 1,763 | 0 | 0 | 0 | 1,763 | 0 | 1,763 | 1,763 | 0 | 1,763 | \$11.40/nnn | - | \$11.40/nnn |
| | 2013 1Q | 0 | 35,937 | 0 | 35,937 | 0 | 0 | 0 | 0 | 0 | 0 | \$11.40/nnn | - | \$11.40/nnn |
| | 2012 4Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$10.80/nnn | - | \$10.80/nnn |
| 2012 3Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$10.80/nnn | - | \$10.80/nnn | |
| 2012 2Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$10.20/nnn | - | \$10.20/nnn | |

Building Absorption Report

| Building | Quarter | Total Occupied SF | Leasing Activity | | | Net Absorption | | | Gross Absorption | | | Average Rate | | | |
|--|---------|-------------------|------------------|--------|--------|----------------|--------|----------|------------------|--------|-------|--------------|-------------|-------|-------------|
| | | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | |
| 694-700 Tasman Dr Building 9 Milpitas, CA 95035 38,318 SF RBA | Current | 26,384 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$18.00/nnn | - | \$18.00/nnn |
| | 2014 4Q | 26,384 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$18.00/nnn | - | \$18.00/nnn |
| | 2014 3Q | 26,384 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$18.00/nnn | - | \$18.00/nnn |
| | 2014 2Q | 26,384 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$18.00/nnn | - | \$18.00/nnn |
| | 2014 1Q | 26,384 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$17.40/nnn | - | \$17.40/nnn |
| | 2013 4Q | 26,384 | 0 | 0 | 0 | (11,934) | 0 | (11,934) | 0 | 0 | 0 | 0 | \$15.00/nnn | - | \$15.00/nnn |
| | 2013 3Q | 38,318 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2013 2Q | 38,318 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2013 1Q | 38,318 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2012 4Q | 38,318 | 11,949 | 0 | 11,949 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2012 3Q | 38,318 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2012 2Q | 38,318 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |

Grand Totals:

| Quarter | Existing Inventory | | Delivered Inventory | | Tot. Occupied SF | Leasing Activity | | | Net Absorption | | | Gross Absorption | | | Average Rate | | |
|---------|--------------------|-----------|---------------------|-----|------------------|------------------|--------|---------|----------------|----------|-----------|------------------|--------|--------|--------------|------------|------------|
| | # of Bldgs | RBA | # of Bldgs | RBA | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| Current | 38 | 1,851,428 | 0 | 0 | 1,313,623 | 1,991 | 0 | 1,991 | 28,937 | (10,420) | 18,517 | 32,728 | 6,433 | 39,161 | \$19.71/fs | \$16.35/fs | \$19.40/fs |
| 2014 4Q | 38 | 1,851,428 | 0 | 0 | 1,295,106 | 20,093 | 0 | 20,093 | 16,240 | 5,828 | 22,068 | 34,633 | 5,828 | 40,461 | \$19.14/fs | \$18.00/fs | \$19.05/fs |
| 2014 3Q | 38 | 1,851,428 | 0 | 0 | 1,273,038 | 38,807 | 0 | 38,807 | 13,251 | 0 | 13,251 | 40,148 | 0 | 40,148 | \$18.69/fs | \$20.14/fs | \$18.87/fs |
| 2014 2Q | 38 | 1,851,428 | 0 | 0 | 1,259,787 | 34,827 | 5,828 | 40,655 | 39,927 | 1,141 | 41,068 | 66,116 | 5,264 | 71,380 | \$18.59/fs | \$21.07/fs | \$18.91/fs |
| 2014 1Q | 38 | 1,851,428 | 0 | 0 | 1,218,719 | 37,029 | 5,264 | 42,293 | 16,163 | 0 | 16,163 | 34,547 | 0 | 34,547 | \$15.57/fs | \$21.07/fs | \$16.23/fs |
| 2013 4Q | 38 | 1,851,428 | 0 | 0 | 1,202,556 | 30,672 | 0 | 30,672 | (118,045) | 17,791 | (100,254) | 30,774 | 17,791 | 48,565 | \$16.52/fs | \$18.69/fs | \$16.56/fs |
| 2013 3Q | 38 | 1,851,428 | 0 | 0 | 1,302,810 | 52,293 | 0 | 52,293 | 29,362 | (11,092) | 18,270 | 69,720 | 0 | 69,720 | \$16.53/fs | \$12.08/fs | \$16.15/fs |
| 2013 2Q | 38 | 1,851,428 | 0 | 0 | 1,284,540 | 16,685 | 2,496 | 19,181 | 716 | 2,496 | 3,212 | 26,838 | 2,496 | 29,334 | \$17.05/fs | \$10.51/fs | \$16.59/fs |
| 2013 1Q | 38 | 1,851,428 | 0 | 0 | 1,281,328 | 60,550 | 0 | 60,550 | (131,955) | 0 | (131,955) | 35,635 | 0 | 35,635 | \$16.74/fs | \$5.88/fs | \$16.05/fs |
| 2012 4Q | 38 | 1,851,428 | 0 | 0 | 1,413,283 | 104,732 | 0 | 104,732 | 60,126 | 9,950 | 70,076 | 69,295 | 12,446 | 81,741 | \$16.55/fs | \$5.88/fs | \$15.88/fs |
| 2012 3Q | 38 | 1,851,428 | 0 | 0 | 1,343,207 | 101,192 | 12,437 | 113,629 | 1,971 | 4,782 | 6,753 | 38,705 | 4,782 | 43,487 | \$16.68/fs | \$7.94/fs | \$15.96/fs |
| 2012 2Q | 38 | 1,851,428 | 0 | 0 | 1,336,454 | 65,658 | 0 | 65,658 | 14,431 | 0 | 14,431 | 45,526 | 0 | 45,526 | \$17.26/fs | \$8.23/fs | \$16.52/fs |

Building Historical Vacancy Report

| Building | Period | SF Vacant | | | % Vacant | | | SF Vacant Available | | | % Vacant Available | | | Average Rate | | |
|--|---------|-----------|--------|-------|----------|--------|--------|---------------------|--------|-------|--------------------|--------|-------|--------------|--------|-------------|
| | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| 1144-1158 Cadillac Ct Building C Milpitas, CA 95035 12,638 SF RBA | Current | 1,675 | 0 | 1,675 | 13.3% | 0.0% | 13.3% | 1,675 | 0 | 1,675 | 13.3% | 0.0% | 13.3% | \$17.38/nnn | - | \$17.38/nnn |
| | 2014 4Q | 3,455 | 0 | 3,455 | 27.3% | 0.0% | 27.3% | 3,455 | 0 | 3,455 | 27.3% | 0.0% | 27.3% | \$17.38/nnn | - | \$17.38/nnn |
| | 2014 3Q | 3,455 | 0 | 3,455 | 27.3% | 0.0% | 27.3% | 3,455 | 0 | 3,455 | 27.3% | 0.0% | 27.3% | \$17.38/nnn | - | \$17.38/nnn |
| | 2014 2Q | 1,675 | 0 | 1,675 | 13.3% | 0.0% | 13.3% | 1,675 | 0 | 1,675 | 13.3% | 0.0% | 13.3% | \$18.00/nnn | - | \$18.00/nnn |
| | 2014 1Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$20.40/nnn | - | \$20.40/nnn |
| | 2013 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$20.40/nnn | - | \$20.40/nnn |
| | 2013 3Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$20.40/nnn | - | \$20.40/nnn |
| | 2013 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2013 1Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2012 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2012 3Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2012 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| 521-581 E Calaveras Blvd Milpitas, CA 95035 63,063 SF RBA | Current | 1,906 | 0 | 1,906 | 3.0% | 0.0% | 3.0% | 1,906 | 0 | 1,906 | 3.0% | 0.0% | 3.0% | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 4Q | 1,906 | 0 | 1,906 | 3.0% | 0.0% | 3.0% | 1,906 | 0 | 1,906 | 3.0% | 0.0% | 3.0% | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 3Q | 1,906 | 0 | 1,906 | 3.0% | 0.0% | 3.0% | 1,906 | 0 | 1,906 | 3.0% | 0.0% | 3.0% | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 2Q | 1,906 | 0 | 1,906 | 3.0% | 0.0% | 3.0% | 1,906 | 0 | 1,906 | 3.0% | 0.0% | 3.0% | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 1Q | 1,906 | 0 | 1,906 | 3.0% | 0.0% | 3.0% | 1,906 | 0 | 1,906 | 3.0% | 0.0% | 3.0% | \$31.50/nnn | - | \$31.50/nnn |
| | 2013 4Q | 1,906 | 0 | 1,906 | 3.0% | 0.0% | 3.0% | 1,906 | 0 | 1,906 | 3.0% | 0.0% | 3.0% | \$31.50/nnn | - | \$31.50/nnn |
| | 2013 3Q | 1,080 | 0 | 1,080 | 1.7% | 0.0% | 1.7% | 1,080 | 0 | 1,080 | 1.7% | 0.0% | 1.7% | \$36.00/nnn | - | \$36.00/nnn |
| | 2013 2Q | 4,470 | 0 | 4,470 | 7.1% | 0.0% | 7.1% | 4,470 | 0 | 4,470 | 7.1% | 0.0% | 7.1% | \$36.00/nnn | - | \$36.00/nnn |
| | 2013 1Q | 3,390 | 0 | 3,390 | 5.4% | 0.0% | 5.4% | 3,390 | 0 | 3,390 | 5.4% | 0.0% | 5.4% | \$36.00/nnn | - | \$36.00/nnn |
| | 2012 4Q | 3,390 | 0 | 3,390 | 5.4% | 0.0% | 5.4% | 3,390 | 0 | 3,390 | 5.4% | 0.0% | 5.4% | \$36.00/nnn | - | \$36.00/nnn |
| | 2012 3Q | 3,390 | 0 | 3,390 | 5.4% | 0.0% | 5.4% | 3,390 | 0 | 3,390 | 5.4% | 0.0% | 5.4% | \$36.00/nnn | - | \$36.00/nnn |
| | 2012 2Q | 3,390 | 0 | 3,390 | 5.4% | 0.0% | 5.4% | 3,390 | 0 | 3,390 | 5.4% | 0.0% | 5.4% | \$36.00/nnn | - | \$36.00/nnn |
| 1181 E Calaveras Blvd Milpitas, CA 95035 7,379 SF RBA | Current | 6,189 | 0 | 6,189 | 83.9% | 0.0% | 83.9% | 6,189 | 0 | 6,189 | 83.9% | 0.0% | 83.9% | \$18.00/nnn | - | \$18.00/nnn |
| | 2014 4Q | 6,189 | 0 | 6,189 | 83.9% | 0.0% | 83.9% | 6,189 | 0 | 6,189 | 83.9% | 0.0% | 83.9% | \$18.00/nnn | - | \$18.00/nnn |
| | 2014 3Q | 6,189 | 0 | 6,189 | 83.9% | 0.0% | 83.9% | 6,189 | 0 | 6,189 | 83.9% | 0.0% | 83.9% | \$18.00/nnn | - | \$18.00/nnn |
| | 2014 2Q | 6,189 | 0 | 6,189 | 83.9% | 0.0% | 83.9% | 6,189 | 0 | 6,189 | 83.9% | 0.0% | 83.9% | \$18.00/nnn | - | \$18.00/nnn |
| | 2014 1Q | 6,189 | 0 | 6,189 | 83.9% | 0.0% | 83.9% | 6,189 | 0 | 6,189 | 83.9% | 0.0% | 83.9% | \$18.00/nnn | - | \$18.00/nnn |
| | 2013 4Q | 6,189 | 0 | 6,189 | 83.9% | 0.0% | 83.9% | 6,189 | 0 | 6,189 | 83.9% | 0.0% | 83.9% | \$18.00/nnn | - | \$18.00/nnn |
| | 2013 3Q | 6,189 | 0 | 6,189 | 83.9% | 0.0% | 83.9% | 6,189 | 0 | 6,189 | 83.9% | 0.0% | 83.9% | \$18.00/nnn | - | \$18.00/nnn |
| | 2013 2Q | 6,189 | 0 | 6,189 | 83.9% | 0.0% | 83.9% | 6,189 | 0 | 6,189 | 83.9% | 0.0% | 83.9% | \$18.00/nnn | - | \$18.00/nnn |
| | 2013 1Q | 6,189 | 0 | 6,189 | 83.9% | 0.0% | 83.9% | 6,189 | 0 | 6,189 | 83.9% | 0.0% | 83.9% | \$18.00/nnn | - | \$18.00/nnn |
| | 2012 4Q | 6,189 | 0 | 6,189 | 83.9% | 0.0% | 83.9% | 6,189 | 0 | 6,189 | 83.9% | 0.0% | 83.9% | \$18.00/nnn | - | \$18.00/nnn |
| | 2012 3Q | 6,189 | 0 | 6,189 | 83.9% | 0.0% | 83.9% | 6,189 | 0 | 6,189 | 83.9% | 0.0% | 83.9% | \$18.00/nnn | - | \$18.00/nnn |
| | 2012 2Q | 7,378 | 0 | 7,378 | 100.0% | 0.0% | 100.0% | 6,189 | 0 | 6,189 | 83.9% | 0.0% | 83.9% | \$18.00/nnn | - | \$18.00/nnn |

Building Historical Vacancy Report

| Building | Period | SF Vacant | | | % Vacant | | | SF Vacant Available | | | % Vacant Available | | | Average Rate | | |
|---|---------|-----------|--------|--------|----------|--------|--------|---------------------|--------|--------|--------------------|--------|-------------|--------------|-------------|-------------|
| | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| 1521 California Cir California Circle Milpitas, CA 95035 24,892 SF RBA | Current | 12,446 | 0 | 12,446 | 50.0% | 0.0% | 50.0% | 12,446 | 0 | 12,446 | 50.0% | 0.0% | 50.0% | \$14.64/nnn | - | \$14.64/nnn |
| | 2014 4Q | 12,446 | 0 | 12,446 | 50.0% | 0.0% | 50.0% | 12,446 | 0 | 12,446 | 50.0% | 0.0% | 50.0% | \$14.64/nnn | - | \$14.64/nnn |
| | 2014 3Q | 12,446 | 0 | 12,446 | 50.0% | 0.0% | 50.0% | 12,446 | 0 | 12,446 | 50.0% | 0.0% | 50.0% | \$14.64/nnn | - | \$14.64/nnn |
| | 2014 2Q | 12,446 | 0 | 12,446 | 50.0% | 0.0% | 50.0% | 12,446 | 0 | 12,446 | 50.0% | 0.0% | 50.0% | \$14.64/nnn | - | \$14.64/nnn |
| | 2014 1Q | 12,446 | 0 | 12,446 | 50.0% | 0.0% | 50.0% | 12,446 | 0 | 12,446 | 50.0% | 0.0% | 50.0% | \$14.64/nnn | - | \$14.64/nnn |
| | 2013 4Q | 12,446 | 0 | 12,446 | 50.0% | 0.0% | 50.0% | 12,446 | 0 | 12,446 | 50.0% | 0.0% | 50.0% | \$14.64/nnn | - | \$14.64/nnn |
| | 2013 3Q | 12,446 | 0 | 12,446 | 50.0% | 0.0% | 50.0% | 12,446 | 0 | 12,446 | 50.0% | 0.0% | 50.0% | \$14.64/nnn | - | \$14.64/nnn |
| | 2013 2Q | 12,446 | 0 | 12,446 | 50.0% | 0.0% | 50.0% | 12,446 | 0 | 12,446 | 50.0% | 0.0% | 50.0% | \$14.64/nnn | - | \$14.64/nnn |
| | 2013 1Q | 12,446 | 0 | 12,446 | 50.0% | 0.0% | 50.0% | 12,446 | 0 | 12,446 | 50.0% | 0.0% | 50.0% | \$11.40/nnn | - | \$11.40/nnn |
| | 2012 4Q | 12,446 | 0 | 12,446 | 50.0% | 0.0% | 50.0% | 12,446 | 0 | 12,446 | 50.0% | 0.0% | 50.0% | \$11.40/nnn | - | \$11.40/nnn |
| 2012 3Q | 12,446 | 12,446 | 24,892 | 50.0% | 50.0% | 100.0% | 12,446 | 0 | 12,446 | 50.0% | 0.0% | 50.0% | \$11.40/nnn | \$10.80/nnn | \$11.20/nnn | |
| 2012 2Q | 12,446 | 12,446 | 24,892 | 50.0% | 50.0% | 100.0% | 12,446 | 12,446 | 24,892 | 50.0% | 50.0% | 100.0% | \$11.40/nnn | \$10.80/nnn | \$11.20/nnn | |
| 1533 California Cir California Circle Milpitas, CA 95035 26,976 SF RBA | Current | 13,488 | 0 | 13,488 | 50.0% | 0.0% | 50.0% | 13,488 | 0 | 13,488 | 50.0% | 0.0% | 50.0% | \$14.64/nnn | - | \$14.64/nnn |
| | 2014 4Q | 13,488 | 0 | 13,488 | 50.0% | 0.0% | 50.0% | 13,488 | 0 | 13,488 | 50.0% | 0.0% | 50.0% | \$14.64/nnn | - | \$14.64/nnn |
| | 2014 3Q | 13,488 | 0 | 13,488 | 50.0% | 0.0% | 50.0% | 13,488 | 0 | 13,488 | 50.0% | 0.0% | 50.0% | \$14.64/nnn | - | \$14.64/nnn |
| | 2014 2Q | 13,488 | 0 | 13,488 | 50.0% | 0.0% | 50.0% | 13,488 | 0 | 13,488 | 50.0% | 0.0% | 50.0% | \$14.64/nnn | - | \$14.64/nnn |
| | 2014 1Q | 13,488 | 0 | 13,488 | 50.0% | 0.0% | 50.0% | 13,488 | 0 | 13,488 | 50.0% | 0.0% | 50.0% | \$14.64/nnn | - | \$14.64/nnn |
| | 2013 4Q | 13,488 | 0 | 13,488 | 50.0% | 0.0% | 50.0% | 13,488 | 0 | 13,488 | 50.0% | 0.0% | 50.0% | \$14.64/nnn | - | \$14.64/nnn |
| | 2013 3Q | 13,488 | 0 | 13,488 | 50.0% | 0.0% | 50.0% | 13,488 | 0 | 13,488 | 50.0% | 0.0% | 50.0% | \$14.64/nnn | - | \$14.64/nnn |
| | 2013 2Q | 13,488 | 0 | 13,488 | 50.0% | 0.0% | 50.0% | 13,488 | 0 | 13,488 | 50.0% | 0.0% | 50.0% | \$14.64/nnn | - | \$14.64/nnn |
| | 2013 1Q | 13,488 | 0 | 13,488 | 50.0% | 0.0% | 50.0% | 13,488 | 0 | 13,488 | 50.0% | 0.0% | 50.0% | \$11.40/nnn | - | \$11.40/nnn |
| | 2012 4Q | 26,976 | 0 | 26,976 | 100.0% | 0.0% | 100.0% | 26,976 | 0 | 26,976 | 100.0% | 0.0% | 100.0% | \$11.40/nnn | - | \$11.40/nnn |
| 2012 3Q | 26,976 | 0 | 26,976 | 100.0% | 0.0% | 100.0% | 26,976 | 0 | 26,976 | 100.0% | 0.0% | 100.0% | \$11.40/nnn | - | \$11.40/nnn | |
| 2012 2Q | 13,488 | 0 | 13,488 | 50.0% | 0.0% | 50.0% | 13,488 | 0 | 13,488 | 50.0% | 0.0% | 50.0% | \$11.40/nnn | - | \$11.40/nnn | |
| 774-880 E Capitol Ave Bldg B Milpitas, CA 95035 10,490 SF RBA | Current | 6,585 | 0 | 6,585 | 62.8% | 0.0% | 62.8% | 6,585 | 0 | 6,585 | 62.8% | 0.0% | 62.8% | \$25.20/nnn | - | \$25.20/nnn |
| | 2014 4Q | 6,585 | 0 | 6,585 | 62.8% | 0.0% | 62.8% | 6,585 | 0 | 6,585 | 62.8% | 0.0% | 62.8% | \$25.20/nnn | - | \$25.20/nnn |
| | 2014 3Q | 6,585 | 0 | 6,585 | 62.8% | 0.0% | 62.8% | 6,585 | 0 | 6,585 | 62.8% | 0.0% | 62.8% | \$25.20/nnn | - | \$25.20/nnn |
| | 2014 2Q | 6,585 | 0 | 6,585 | 62.8% | 0.0% | 62.8% | 6,585 | 0 | 6,585 | 62.8% | 0.0% | 62.8% | \$25.20/nnn | - | \$25.20/nnn |
| | 2014 1Q | 6,585 | 0 | 6,585 | 62.8% | 0.0% | 62.8% | 6,585 | 0 | 6,585 | 62.8% | 0.0% | 62.8% | \$25.20/nnn | - | \$25.20/nnn |
| | 2013 4Q | 6,585 | 0 | 6,585 | 62.8% | 0.0% | 62.8% | 6,585 | 0 | 6,585 | 62.8% | 0.0% | 62.8% | \$25.20/nnn | - | \$25.20/nnn |
| | 2013 3Q | 6,585 | 0 | 6,585 | 62.8% | 0.0% | 62.8% | 6,585 | 0 | 6,585 | 62.8% | 0.0% | 62.8% | \$25.20/nnn | - | \$25.20/nnn |
| | 2013 2Q | 6,585 | 0 | 6,585 | 62.8% | 0.0% | 62.8% | 6,585 | 0 | 6,585 | 62.8% | 0.0% | 62.8% | \$25.20/nnn | - | \$25.20/nnn |
| | 2013 1Q | 6,585 | 0 | 6,585 | 62.8% | 0.0% | 62.8% | 6,585 | 0 | 6,585 | 62.8% | 0.0% | 62.8% | \$25.20/nnn | - | \$25.20/nnn |
| | 2012 4Q | 800 | 0 | 800 | 7.6% | 0.0% | 7.6% | 800 | 0 | 800 | 7.6% | 0.0% | 7.6% | - | - | - |
| 2012 3Q | 800 | 0 | 800 | 7.6% | 0.0% | 7.6% | 800 | 0 | 800 | 7.6% | 0.0% | 7.6% | - | - | - | |
| 2012 2Q | 800 | 0 | 800 | 7.6% | 0.0% | 7.6% | 800 | 0 | 800 | 7.6% | 0.0% | 7.6% | \$39.00/nnn | - | \$39.00/nnn | |

Building Historical Vacancy Report

| Building | Period | SF Vacant | | | % Vacant | | | SF Vacant Available | | | % Vacant Available | | | Average Rate | | |
|---|---------|-----------|--------|--------|----------|--------|-------|---------------------|--------|--------|--------------------|--------|-------|--------------|--------|------------|
| | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| 1750-1798 Clear Lake Ave Parktown Office Bldg Milpitas, CA 95035 18,670 SF RBA | Current | 924 | 0 | 924 | 4.9% | 0.0% | 4.9% | 924 | 0 | 924 | 4.9% | 0.0% | 4.9% | \$15.00/mg | - | \$15.00/mg |
| | 2014 4Q | 924 | 0 | 924 | 4.9% | 0.0% | 4.9% | 924 | 0 | 924 | 4.9% | 0.0% | 4.9% | \$15.00/mg | - | \$15.00/mg |
| | 2014 3Q | 924 | 0 | 924 | 4.9% | 0.0% | 4.9% | 924 | 0 | 924 | 4.9% | 0.0% | 4.9% | \$15.00/mg | - | \$15.00/mg |
| | 2014 2Q | 924 | 0 | 924 | 4.9% | 0.0% | 4.9% | 924 | 0 | 924 | 4.9% | 0.0% | 4.9% | \$15.00/mg | - | \$15.00/mg |
| | 2014 1Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$15.00/fs | - | \$15.00/fs |
| | 2013 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$15.00/fs | - | \$15.00/fs |
| | 2013 3Q | 959 | 0 | 959 | 5.1% | 0.0% | 5.1% | 959 | 0 | 959 | 5.1% | 0.0% | 5.1% | \$15.00/fs | - | \$15.00/fs |
| | 2013 2Q | 959 | 0 | 959 | 5.1% | 0.0% | 5.1% | 959 | 0 | 959 | 5.1% | 0.0% | 5.1% | \$15.92/fs | - | \$15.92/fs |
| | 2013 1Q | 1,508 | 0 | 1,508 | 8.1% | 0.0% | 8.1% | 1,508 | 0 | 1,508 | 8.1% | 0.0% | 8.1% | \$15.00/fs | - | \$15.00/fs |
| | 2012 4Q | 3,048 | 0 | 3,048 | 16.3% | 0.0% | 16.3% | 3,048 | 0 | 3,048 | 16.3% | 0.0% | 16.3% | \$14.35/fs | - | \$14.35/fs |
| | 2012 3Q | 3,048 | 0 | 3,048 | 16.3% | 0.0% | 16.3% | 3,048 | 0 | 3,048 | 16.3% | 0.0% | 16.3% | \$14.35/fs | - | \$14.35/fs |
| | 2012 2Q | 419 | 0 | 419 | 2.2% | 0.0% | 2.2% | 419 | 0 | 419 | 2.2% | 0.0% | 2.2% | \$14.28/fs | - | \$14.28/fs |
| 830 Hillview Ct Bldg 1 Milpitas, CA 95035 73,926 SF RBA | Current | 3,850 | 0 | 3,850 | 5.2% | 0.0% | 5.2% | 3,850 | 0 | 3,850 | 5.2% | 0.0% | 5.2% | \$21.00/fs | - | \$21.00/fs |
| | 2014 4Q | 3,850 | 0 | 3,850 | 5.2% | 0.0% | 5.2% | 3,850 | 0 | 3,850 | 5.2% | 0.0% | 5.2% | \$21.00/fs | - | \$21.00/fs |
| | 2014 3Q | 7,560 | 0 | 7,560 | 10.2% | 0.0% | 10.2% | 7,560 | 0 | 7,560 | 10.2% | 0.0% | 10.2% | \$21.00/fs | - | \$21.00/fs |
| | 2014 2Q | 16,682 | 0 | 16,682 | 22.6% | 0.0% | 22.6% | 11,634 | 0 | 11,634 | 15.7% | 0.0% | 15.7% | \$21.00/fs | - | \$21.00/fs |
| | 2014 1Q | 14,411 | 0 | 14,411 | 19.5% | 0.0% | 19.5% | 14,411 | 0 | 14,411 | 19.5% | 0.0% | 19.5% | \$21.00/fs | - | \$21.00/fs |
| | 2013 4Q | 13,924 | 0 | 13,924 | 18.8% | 0.0% | 18.8% | 12,206 | 0 | 12,206 | 16.5% | 0.0% | 16.5% | \$21.00/fs | - | \$21.00/fs |
| | 2013 3Q | 13,924 | 0 | 13,924 | 18.8% | 0.0% | 18.8% | 13,924 | 0 | 13,924 | 18.8% | 0.0% | 18.8% | \$21.00/fs | - | \$21.00/fs |
| | 2013 2Q | 15,127 | 0 | 15,127 | 20.5% | 0.0% | 20.5% | 15,127 | 0 | 15,127 | 20.5% | 0.0% | 20.5% | \$21.00/fs | - | \$21.00/fs |
| | 2013 1Q | 13,924 | 0 | 13,924 | 18.8% | 0.0% | 18.8% | 13,924 | 0 | 13,924 | 18.8% | 0.0% | 18.8% | \$21.00/fs | - | \$21.00/fs |
| | 2012 4Q | 13,924 | 0 | 13,924 | 18.8% | 0.0% | 18.8% | 13,924 | 0 | 13,924 | 18.8% | 0.0% | 18.8% | \$21.00/fs | - | \$21.00/fs |
| | 2012 3Q | 15,127 | 0 | 15,127 | 20.5% | 0.0% | 20.5% | 15,127 | 0 | 15,127 | 20.5% | 0.0% | 20.5% | \$21.00/fs | - | \$21.00/fs |
| | 2012 2Q | 15,127 | 0 | 15,127 | 20.5% | 0.0% | 20.5% | 15,127 | 0 | 15,127 | 20.5% | 0.0% | 20.5% | \$21.00/fs | - | \$21.00/fs |
| 860 Hillview Ct Bldg 1 Milpitas, CA 95035 56,087 SF RBA | Current | 16,105 | 2,599 | 18,704 | 28.7% | 4.6% | 33.3% | 16,105 | 2,599 | 18,704 | 28.7% | 4.6% | 33.3% | \$23.40/fs | - | \$23.40/fs |
| | 2014 4Q | 16,105 | 0 | 16,105 | 28.7% | 0.0% | 28.7% | 16,105 | 0 | 16,105 | 28.7% | 0.0% | 28.7% | \$23.40/fs | - | \$23.40/fs |
| | 2014 3Q | 18,008 | 0 | 18,008 | 32.1% | 0.0% | 32.1% | 18,008 | 0 | 18,008 | 32.1% | 0.0% | 32.1% | \$22.57/fs | - | \$22.57/fs |
| | 2014 2Q | 23,305 | 0 | 23,305 | 41.6% | 0.0% | 41.6% | 23,305 | 0 | 23,305 | 41.6% | 0.0% | 41.6% | \$21.00/fs | - | \$21.00/fs |
| | 2014 1Q | 31,141 | 0 | 31,141 | 55.5% | 0.0% | 55.5% | 31,141 | 0 | 31,141 | 55.5% | 0.0% | 55.5% | \$18.75/fs | - | \$18.75/fs |
| | 2013 4Q | 21,796 | 0 | 21,796 | 38.9% | 0.0% | 38.9% | 21,796 | 0 | 21,796 | 38.9% | 0.0% | 38.9% | \$19.08/fs | - | \$19.08/fs |
| | 2013 3Q | 25,782 | 0 | 25,782 | 46.0% | 0.0% | 46.0% | 21,796 | 0 | 21,796 | 38.9% | 0.0% | 38.9% | \$18.47/fs | - | \$18.47/fs |
| | 2013 2Q | 26,642 | 0 | 26,642 | 47.5% | 0.0% | 47.5% | 26,642 | 0 | 26,642 | 47.5% | 0.0% | 47.5% | \$21.00/fs | - | \$21.00/fs |
| | 2013 1Q | 27,640 | 0 | 27,640 | 49.3% | 0.0% | 49.3% | 27,640 | 0 | 27,640 | 49.3% | 0.0% | 49.3% | \$21.00/fs | - | \$21.00/fs |
| | 2012 4Q | 35,453 | 0 | 35,453 | 63.2% | 0.0% | 63.2% | 35,453 | 0 | 35,453 | 63.2% | 0.0% | 63.2% | \$21.00/fs | - | \$21.00/fs |
| | 2012 3Q | 48,405 | 0 | 48,405 | 86.3% | 0.0% | 86.3% | 48,405 | 0 | 48,405 | 86.3% | 0.0% | 86.3% | \$21.00/fs | - | \$21.00/fs |
| | 2012 2Q | 42,423 | 0 | 42,423 | 75.6% | 0.0% | 75.6% | 35,916 | 0 | 35,916 | 64.0% | 0.0% | 64.0% | \$20.84/fs | - | \$20.84/fs |

Building Historical Vacancy Report

| Building | Period | SF Vacant | | | % Vacant | | | SF Vacant Available | | | % Vacant Available | | | Average Rate | | |
|--|--|-----------|--------|--------|----------|--------|--------|---------------------|--------|--------|--------------------|--------|-------------|--------------|-------------|-------------|
| | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| 890 Hillview Ct Bldg 2 Milpitas, CA 95035 56,087 SF RBA | Current | 16,475 | 0 | 16,475 | 29.4% | 0.0% | 29.4% | 16,475 | 0 | 16,475 | 29.4% | 0.0% | 29.4% | \$21.00/fs | - | \$21.00/fs |
| | 2014 4Q | 16,475 | 0 | 16,475 | 29.4% | 0.0% | 29.4% | 16,475 | 0 | 16,475 | 29.4% | 0.0% | 29.4% | \$21.00/fs | - | \$21.00/fs |
| | 2014 3Q | 16,475 | 0 | 16,475 | 29.4% | 0.0% | 29.4% | 16,475 | 0 | 16,475 | 29.4% | 0.0% | 29.4% | \$21.00/fs | - | \$21.00/fs |
| | 2014 2Q | 16,475 | 0 | 16,475 | 29.4% | 0.0% | 29.4% | 16,475 | 0 | 16,475 | 29.4% | 0.0% | 29.4% | \$21.00/fs | - | \$21.00/fs |
| | 2014 1Q | 16,475 | 0 | 16,475 | 29.4% | 0.0% | 29.4% | 16,475 | 0 | 16,475 | 29.4% | 0.0% | 29.4% | \$18.00/fs | - | \$18.00/fs |
| | 2013 4Q | 19,832 | 0 | 19,832 | 35.4% | 0.0% | 35.4% | 13,649 | 0 | 13,649 | 24.3% | 0.0% | 24.3% | \$18.00/fs | - | \$18.00/fs |
| | 2013 3Q | 14,468 | 0 | 14,468 | 25.8% | 0.0% | 25.8% | 14,468 | 0 | 14,468 | 25.8% | 0.0% | 25.8% | \$19.35/fs | - | \$19.35/fs |
| | 2013 2Q | 10,258 | 0 | 10,258 | 18.3% | 0.0% | 18.3% | 10,258 | 0 | 10,258 | 18.3% | 0.0% | 18.3% | \$22.04/fs | - | \$22.04/fs |
| | 2013 1Q | 8,133 | 0 | 8,133 | 14.5% | 0.0% | 14.5% | 8,133 | 0 | 8,133 | 14.5% | 0.0% | 14.5% | \$21.00/fs | - | \$21.00/fs |
| | 2012 4Q | 4,933 | 0 | 4,933 | 8.8% | 0.0% | 8.8% | 4,933 | 0 | 4,933 | 8.8% | 0.0% | 8.8% | \$21.00/fs | - | \$21.00/fs |
| | 2012 3Q | 4,933 | 0 | 4,933 | 8.8% | 0.0% | 8.8% | 4,933 | 0 | 4,933 | 8.8% | 0.0% | 8.8% | \$21.00/fs | - | \$21.00/fs |
| | 2012 2Q | 15,857 | 0 | 15,857 | 28.3% | 0.0% | 28.3% | 4,933 | 0 | 4,933 | 8.8% | 0.0% | 8.8% | \$16.49/fs | - | \$16.49/fs |
| | 920 Hillview Ct Bldg 2 Milpitas, CA 95035 44,652 SF RBA | Current | 7,123 | 0 | 7,123 | 16.0% | 0.0% | 16.0% | 7,123 | 0 | 7,123 | 16.0% | 0.0% | 16.0% | \$21.00/fs | - |
| 2014 4Q | | 7,123 | 0 | 7,123 | 16.0% | 0.0% | 16.0% | 7,123 | 0 | 7,123 | 16.0% | 0.0% | 16.0% | \$21.00/fs | - | \$21.00/fs |
| 2014 3Q | | 10,409 | 0 | 10,409 | 23.3% | 0.0% | 23.3% | 10,409 | 0 | 10,409 | 23.3% | 0.0% | 23.3% | \$21.00/fs | - | \$21.00/fs |
| 2014 2Q | | 10,409 | 0 | 10,409 | 23.3% | 0.0% | 23.3% | 10,409 | 0 | 10,409 | 23.3% | 0.0% | 23.3% | \$21.00/fs | - | \$21.00/fs |
| 2014 1Q | | 12,043 | 0 | 12,043 | 27.0% | 0.0% | 27.0% | 10,409 | 0 | 10,409 | 23.3% | 0.0% | 23.3% | \$21.00/fs | - | \$21.00/fs |
| 2013 4Q | | 24,572 | 0 | 24,572 | 55.0% | 0.0% | 55.0% | 12,043 | 0 | 12,043 | 27.0% | 0.0% | 27.0% | \$21.00/fs | - | \$21.00/fs |
| 2013 3Q | | 14,982 | 0 | 14,982 | 33.6% | 0.0% | 33.6% | 14,982 | 0 | 14,982 | 33.6% | 0.0% | 33.6% | \$21.00/fs | - | \$21.00/fs |
| 2013 2Q | | 14,982 | 0 | 14,982 | 33.6% | 0.0% | 33.6% | 14,982 | 0 | 14,982 | 33.6% | 0.0% | 33.6% | \$21.00/fs | - | \$21.00/fs |
| 2013 1Q | | 18,765 | 0 | 18,765 | 42.0% | 0.0% | 42.0% | 14,982 | 0 | 14,982 | 33.6% | 0.0% | 33.6% | \$21.00/fs | - | \$21.00/fs |
| 2012 4Q | | 13,849 | 0 | 13,849 | 31.0% | 0.0% | 31.0% | 13,849 | 0 | 13,849 | 31.0% | 0.0% | 31.0% | \$21.00/fs | - | \$21.00/fs |
| 2012 3Q | | 13,849 | 0 | 13,849 | 31.0% | 0.0% | 31.0% | 13,849 | 0 | 13,849 | 31.0% | 0.0% | 31.0% | \$21.00/fs | - | \$21.00/fs |
| 2012 2Q | 13,849 | 0 | 13,849 | 31.0% | 0.0% | 31.0% | 13,849 | 0 | 13,849 | 31.0% | 0.0% | 31.0% | \$21.00/fs | - | \$21.00/fs | |
| 1120-1158 Jacklin Rd Jacklin Professional Center Milpitas, CA 95035 14,021 SF RBA | Current | 2,193 | 0 | 2,193 | 15.6% | 0.0% | 15.6% | 2,193 | 0 | 2,193 | 15.6% | 0.0% | 15.6% | \$18.00/nnn | - | \$18.00/nnn |
| | 2014 4Q | 2,193 | 0 | 2,193 | 15.6% | 0.0% | 15.6% | 2,193 | 0 | 2,193 | 15.6% | 0.0% | 15.6% | \$18.00/nnn | - | \$18.00/nnn |
| | 2014 3Q | 2,193 | 0 | 2,193 | 15.6% | 0.0% | 15.6% | 2,193 | 0 | 2,193 | 15.6% | 0.0% | 15.6% | \$18.00/nnn | - | \$18.00/nnn |
| | 2014 2Q | 2,193 | 0 | 2,193 | 15.6% | 0.0% | 15.6% | 2,193 | 0 | 2,193 | 15.6% | 0.0% | 15.6% | \$18.00/nnn | - | \$18.00/nnn |
| | 2014 1Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$18.00/nnn | - | \$18.00/nnn |
| | 2013 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$18.00/nnn | - | \$18.00/nnn |
| | 2013 3Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$18.00/nnn | - | \$18.00/nnn |
| | 2013 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$18.00/nnn | - | \$18.00/nnn |
| | 2013 1Q | 1,578 | 0 | 1,578 | 11.3% | 0.0% | 11.3% | 1,578 | 0 | 1,578 | 11.3% | 0.0% | 11.3% | \$18.00/nnn | - | \$18.00/nnn |
| | 2012 4Q | 1,578 | 0 | 1,578 | 11.3% | 0.0% | 11.3% | 1,578 | 0 | 1,578 | 11.3% | 0.0% | 11.3% | \$18.00/nnn | - | \$18.00/nnn |
| | 2012 3Q | 1,578 | 0 | 1,578 | 11.3% | 0.0% | 11.3% | 1,578 | 0 | 1,578 | 11.3% | 0.0% | 11.3% | \$18.00/nnn | - | \$18.00/nnn |
| 2012 2Q | 5,314 | 0 | 5,314 | 37.9% | 0.0% | 37.9% | 1,578 | 0 | 1,578 | 11.3% | 0.0% | 11.3% | \$18.00/nnn | - | \$18.00/nnn | |

Building Historical Vacancy Report

| Building | Period | SF Vacant | | | % Vacant | | | SF Vacant Available | | | % Vacant Available | | | Average Rate | | |
|---|---------|-----------|--------|-------|----------|--------|-------|---------------------|--------|-------|--------------------|--------|-------|--------------|------------|-------------|
| | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| 529 S Main St Milpitas, CA 95035 6,005 SF RBA | Current | 6,000 | 0 | 6,000 | 99.9% | 0.0% | 99.9% | 6,000 | 0 | 6,000 | 99.9% | 0.0% | 99.9% | \$15.00/nnn | - | \$15.00/nnn |
| | 2014 4Q | 6,000 | 0 | 6,000 | 99.9% | 0.0% | 99.9% | 6,000 | 0 | 6,000 | 99.9% | 0.0% | 99.9% | \$15.00/nnn | - | \$15.00/nnn |
| | 2014 3Q | 6,000 | 0 | 6,000 | 99.9% | 0.0% | 99.9% | 6,000 | 0 | 6,000 | 99.9% | 0.0% | 99.9% | \$15.00/nnn | - | \$15.00/nnn |
| | 2014 2Q | 6,000 | 0 | 6,000 | 99.9% | 0.0% | 99.9% | 6,000 | 0 | 6,000 | 99.9% | 0.0% | 99.9% | \$15.00/nnn | - | \$15.00/nnn |
| | 2014 1Q | 6,000 | 0 | 6,000 | 99.9% | 0.0% | 99.9% | 6,000 | 0 | 6,000 | 99.9% | 0.0% | 99.9% | \$15.00/nnn | - | \$15.00/nnn |
| | 2013 4Q | 6,000 | 0 | 6,000 | 99.9% | 0.0% | 99.9% | 6,000 | 0 | 6,000 | 99.9% | 0.0% | 99.9% | \$15.00/nnn | - | \$15.00/nnn |
| | 2013 3Q | 6,000 | 0 | 6,000 | 99.9% | 0.0% | 99.9% | 6,000 | 0 | 6,000 | 99.9% | 0.0% | 99.9% | \$15.00/nnn | - | \$15.00/nnn |
| | 2013 2Q | 6,000 | 0 | 6,000 | 99.9% | 0.0% | 99.9% | 6,000 | 0 | 6,000 | 99.9% | 0.0% | 99.9% | \$15.00/nnn | - | \$15.00/nnn |
| | 2013 1Q | 6,000 | 0 | 6,000 | 99.9% | 0.0% | 99.9% | 6,000 | 0 | 6,000 | 99.9% | 0.0% | 99.9% | - | - | - |
| | 2012 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2012 3Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2012 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| 621-643 S Main St Villa Milpitas Center Milpitas, CA 95035 10,749 SF RBA | Current | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$21.60/mg | - | \$21.60/mg |
| | 2014 4Q | 1,100 | 0 | 1,100 | 10.2% | 0.0% | 10.2% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$21.90/fs | - | \$21.90/fs |
| | 2014 3Q | 1,100 | 0 | 1,100 | 10.2% | 0.0% | 10.2% | 1,100 | 0 | 1,100 | 10.2% | 0.0% | 10.2% | \$21.90/fs | - | \$21.90/fs |
| | 2014 2Q | 1,100 | 0 | 1,100 | 10.2% | 0.0% | 10.2% | 1,100 | 0 | 1,100 | 10.2% | 0.0% | 10.2% | \$40.20/fs | - | \$40.20/fs |
| | 2014 1Q | 1,100 | 0 | 1,100 | 10.2% | 0.0% | 10.2% | 1,100 | 0 | 1,100 | 10.2% | 0.0% | 10.2% | \$22.20/fs | - | \$22.20/fs |
| | 2013 4Q | 3,400 | 0 | 3,400 | 31.6% | 0.0% | 31.6% | 3,400 | 0 | 3,400 | 31.6% | 0.0% | 31.6% | \$22.20/fs | - | \$22.20/fs |
| | 2013 3Q | 2,800 | 0 | 2,800 | 26.0% | 0.0% | 26.0% | 2,800 | 0 | 2,800 | 26.0% | 0.0% | 26.0% | \$22.20/fs | - | \$22.20/fs |
| | 2013 2Q | 3,050 | 0 | 3,050 | 28.4% | 0.0% | 28.4% | 3,050 | 0 | 3,050 | 28.4% | 0.0% | 28.4% | \$22.20/fs | - | \$22.20/fs |
| | 2013 1Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$21.00/mg | - | \$21.00/mg |
| | 2012 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$21.00/mg | - | \$21.00/mg |
| | 2012 3Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$21.00/mg | - | \$21.00/mg |
| | 2012 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| 1633-1649 S Main St Bldg B Milpitas, CA 34,985 SF RBA | Current | 3,458 | 0 | 3,458 | 9.9% | 0.0% | 9.9% | 3,458 | 0 | 3,458 | 9.9% | 0.0% | 9.9% | \$18.00/mg | - | \$18.00/mg |
| | 2014 4Q | 3,458 | 0 | 3,458 | 9.9% | 0.0% | 9.9% | 3,458 | 0 | 3,458 | 9.9% | 0.0% | 9.9% | \$14.40/mg | - | \$14.40/mg |
| | 2014 3Q | 3,458 | 0 | 3,458 | 9.9% | 0.0% | 9.9% | 3,458 | 0 | 3,458 | 9.9% | 0.0% | 9.9% | \$14.40/mg | - | \$14.40/mg |
| | 2014 2Q | 4,743 | 0 | 4,743 | 13.6% | 0.0% | 13.6% | 3,458 | 0 | 3,458 | 9.9% | 0.0% | 9.9% | \$14.40/mg | - | \$14.40/mg |
| | 2014 1Q | 7,531 | 0 | 7,531 | 21.5% | 0.0% | 21.5% | 7,531 | 0 | 7,531 | 21.5% | 0.0% | 21.5% | \$14.40/mg | - | \$14.40/mg |
| | 2013 4Q | 7,531 | 0 | 7,531 | 21.5% | 0.0% | 21.5% | 7,531 | 0 | 7,531 | 21.5% | 0.0% | 21.5% | \$14.40/mg | - | \$14.40/mg |
| | 2013 3Q | 2,731 | 0 | 2,731 | 7.8% | 0.0% | 7.8% | 2,731 | 0 | 2,731 | 7.8% | 0.0% | 7.8% | \$11.88/mg | - | \$11.88/mg |
| | 2013 2Q | 1,446 | 0 | 1,446 | 4.1% | 0.0% | 4.1% | 1,446 | 0 | 1,446 | 4.1% | 0.0% | 4.1% | \$13.80/fs | \$10.20/fs | \$11.52/fs |
| | 2013 1Q | 1,446 | 2,496 | 3,942 | 4.1% | 7.1% | 11.3% | 1,446 | 2,496 | 3,942 | 4.1% | 7.1% | 11.3% | \$15.00/fs | \$10.20/fs | \$11.96/fs |
| | 2012 4Q | 1,446 | 2,496 | 3,942 | 4.1% | 7.1% | 11.3% | 1,446 | 2,496 | 3,942 | 4.1% | 7.1% | 11.3% | \$15.00/fs | \$10.20/fs | \$11.96/fs |
| | 2012 3Q | 1,446 | 0 | 1,446 | 4.1% | 0.0% | 4.1% | 1,446 | 0 | 1,446 | 4.1% | 0.0% | 4.1% | \$15.00/fs | - | \$15.00/fs |
| | 2012 2Q | 1,446 | 0 | 1,446 | 4.1% | 0.0% | 4.1% | 1,446 | 0 | 1,446 | 4.1% | 0.0% | 4.1% | \$15.00/fs | - | \$15.00/fs |

Building Historical Vacancy Report

| Building | Period | SF Vacant | | | % Vacant | | | SF Vacant Available | | | % Vacant Available | | | Average Rate | | |
|---|---------|-----------|--------|-------|----------|--------|-------|---------------------|--------|-------|--------------------|--------|-------|--------------|--------|-------|
| | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| McCarthy Blvd Bldg 1 Milpitas, CA 95035 124,040 SF RBA | Current | 0 | 0 | 0 | - | - | - | 0 | 0 | 0 | - | - | - | - | - | - |
| McCarthy Blvd Bldg 2 Milpitas, CA 95035 124,040 SF RBA | Current | 0 | 0 | 0 | - | - | - | 0 | 0 | 0 | - | - | - | - | - | - |
| McCarthy Blvd Bldg 3 Milpitas, CA 95035 124,040 SF RBA | Current | 0 | 0 | 0 | - | - | - | 0 | 0 | 0 | - | - | - | - | - | - |
| McCarthy Blvd Bldg 4 Milpitas, CA 95035 99,232 SF RBA | Current | 0 | 0 | 0 | - | - | - | 0 | 0 | 0 | - | - | - | - | - | - |
| McCarthy Blvd Bldg 5 Milpitas, CA 95035 99,232 SF RBA | Current | 0 | 0 | 0 | - | - | - | 0 | 0 | 0 | - | - | - | - | - | - |
| McCarthy Blvd Bldg 6 Milpitas, CA 95035 99,232 SF RBA | Current | 0 | 0 | 0 | - | - | - | 0 | 0 | 0 | - | - | - | - | - | - |
| McCarthy Blvd Bldg 7 Milpitas, CA 95035 99,232 SF RBA | Current | 0 | 0 | 0 | - | - | - | 0 | 0 | 0 | - | - | - | - | - | - |
| McCarthy Blvd Bldg 9 Milpitas, CA 95035 99,232 SF RBA | Current | 0 | 0 | 0 | - | - | - | 0 | 0 | 0 | - | - | - | - | - | - |

Building Historical Vacancy Report

| Building | Period | SF Vacant | | | % Vacant | | | SF Vacant Available | | | % Vacant Available | | | Average Rate | | |
|---|---|-----------|---------|---------|----------|--------|--------|---------------------|---------|---------|--------------------|--------|--------|--------------|-------------|-------------|
| | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| 1011 McCarthy Blvd Murphy Crossing - Bldg 2 Milpitas, CA 95035 74,026 SF RBA | Current | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | \$18.00/nnn | \$18.00/nnn |
| | 2014 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | \$18.00/nnn | \$18.00/nnn |
| | 2014 3Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | \$18.00/nnn | \$18.00/nnn |
| | 2014 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | \$19.80/nnn | \$19.80/nnn |
| | 2014 1Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | \$19.80/nnn | \$19.80/nnn |
| | 2013 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2013 3Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2013 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$22.80/nnn | - | \$22.80/nnn |
| | 2013 1Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$22.80/nnn | - | \$22.80/nnn |
| | 2012 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$22.80/nnn | - | \$22.80/nnn |
| | 2012 3Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$22.80/nnn | - | \$22.80/nnn |
| | 2012 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$22.80/nnn | - | \$22.80/nnn |
| | 1501 McCarthy Blvd Milpitas, CA 95035 132,179 SF RBA | Current | 132,179 | 0 | 132,179 | 100.0% | 0.0% | 100.0% | 132,179 | 0 | 132,179 | 100.0% | 0.0% | 100.0% | \$22.20/nnn | - |
| 2014 4Q | | 132,179 | 0 | 132,179 | 100.0% | 0.0% | 100.0% | 132,179 | 0 | 132,179 | 100.0% | 0.0% | 100.0% | \$19.80/nnn | - | \$19.80/nnn |
| 2014 3Q | | 132,179 | 0 | 132,179 | 100.0% | 0.0% | 100.0% | 132,179 | 0 | 132,179 | 100.0% | 0.0% | 100.0% | \$19.80/nnn | - | \$19.80/nnn |
| 2014 2Q | | 132,179 | 0 | 132,179 | 100.0% | 0.0% | 100.0% | 132,179 | 0 | 132,179 | 100.0% | 0.0% | 100.0% | \$19.80/nnn | - | \$19.80/nnn |
| 2014 1Q | | 128,820 | 0 | 128,820 | 97.5% | 0.0% | 97.5% | 128,820 | 0 | 128,820 | 97.5% | 0.0% | 97.5% | \$9.00/nnn | - | \$9.00/nnn |
| 2013 4Q | | 128,820 | 0 | 128,820 | 97.5% | 0.0% | 97.5% | 128,820 | 0 | 128,820 | 97.5% | 0.0% | 97.5% | \$9.00/nnn | - | \$9.00/nnn |
| 2013 3Q | | 128,820 | 0 | 128,820 | 97.5% | 0.0% | 97.5% | 128,820 | 0 | 128,820 | 97.5% | 0.0% | 97.5% | \$9.00/nnn | - | \$9.00/nnn |
| 2013 2Q | | 128,820 | 0 | 128,820 | 97.5% | 0.0% | 97.5% | 128,820 | 0 | 128,820 | 97.5% | 0.0% | 97.5% | \$9.00/nnn | - | \$9.00/nnn |
| 2013 1Q | | 128,820 | 0 | 128,820 | 97.5% | 0.0% | 97.5% | 128,820 | 0 | 128,820 | 97.5% | 0.0% | 97.5% | \$9.00/nnn | - | \$9.00/nnn |
| 2012 4Q | | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$9.00/nnn | - | \$9.00/nnn |
| 2012 3Q | | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$9.00/nnn | - | \$9.00/nnn |
| 2012 2Q | | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$9.00/nnn | - | \$9.00/nnn |
| 1525 McCarthy Blvd Milpitas, CA 95035 76,284 SF RBA | | Current | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$22.20/fs | - |
| | 2014 4Q | 3,206 | 0 | 3,206 | 4.2% | 0.0% | 4.2% | 3,206 | 0 | 3,206 | 4.2% | 0.0% | 4.2% | \$22.20/fs | - | \$22.20/fs |
| | 2014 3Q | 6,369 | 0 | 6,369 | 8.3% | 0.0% | 8.3% | 3,206 | 0 | 3,206 | 4.2% | 0.0% | 4.2% | \$21.00/fs | - | \$21.00/fs |
| | 2014 2Q | 8,351 | 0 | 8,351 | 10.9% | 0.0% | 10.9% | 6,369 | 0 | 6,369 | 8.3% | 0.0% | 8.3% | \$21.00/fs | - | \$21.00/fs |
| | 2014 1Q | 11,283 | 0 | 11,283 | 14.8% | 0.0% | 14.8% | 11,283 | 0 | 11,283 | 14.8% | 0.0% | 14.8% | \$20.65/fs | - | \$20.65/fs |
| | 2013 4Q | 9,301 | 0 | 9,301 | 12.2% | 0.0% | 12.2% | 9,301 | 0 | 9,301 | 12.2% | 0.0% | 12.2% | \$20.58/fs | - | \$20.58/fs |
| | 2013 3Q | 9,301 | 0 | 9,301 | 12.2% | 0.0% | 12.2% | 9,301 | 0 | 9,301 | 12.2% | 0.0% | 12.2% | \$20.58/fs | - | \$20.58/fs |
| | 2013 2Q | 9,301 | 0 | 9,301 | 12.2% | 0.0% | 12.2% | 9,301 | 0 | 9,301 | 12.2% | 0.0% | 12.2% | \$20.58/fs | - | \$20.58/fs |
| | 2013 1Q | 9,301 | 0 | 9,301 | 12.2% | 0.0% | 12.2% | 9,301 | 0 | 9,301 | 12.2% | 0.0% | 12.2% | \$20.58/fs | - | \$20.58/fs |
| | 2012 4Q | 7,675 | 0 | 7,675 | 10.1% | 0.0% | 10.1% | 7,675 | 0 | 7,675 | 10.1% | 0.0% | 10.1% | \$20.49/fs | - | \$20.49/fs |
| | 2012 3Q | 1,306 | 0 | 1,306 | 1.7% | 0.0% | 1.7% | 1,306 | 0 | 1,306 | 1.7% | 0.0% | 1.7% | \$18.00/fs | - | \$18.00/fs |
| | 2012 2Q | 1,306 | 0 | 1,306 | 1.7% | 0.0% | 1.7% | 1,306 | 0 | 1,306 | 1.7% | 0.0% | 1.7% | \$18.00/fs | - | \$18.00/fs |

Building Historical Vacancy Report

| Building | Period | SF Vacant | | | % Vacant | | | SF Vacant Available | | | % Vacant Available | | | Average Rate | | |
|--|---------|-----------|--------|--------|----------|--------|-------|---------------------|--------|--------|--------------------|--------|-------|--------------|------------|------------|
| | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| 1551 McCarthy Blvd Milpitas, CA 95035 48,926 SF RBA | Current | 3,475 | 0 | 3,475 | 7.1% | 0.0% | 7.1% | 1,484 | 0 | 1,484 | 3.0% | 0.0% | 3.0% | \$22.20/mg | - | \$22.20/mg |
| | 2014 4Q | 1,484 | 0 | 1,484 | 3.0% | 0.0% | 3.0% | 1,484 | 0 | 1,484 | 3.0% | 0.0% | 3.0% | \$22.20/mg | - | \$22.20/mg |
| | 2014 3Q | 3,325 | 0 | 3,325 | 6.8% | 0.0% | 6.8% | 3,325 | 0 | 3,325 | 6.8% | 0.0% | 6.8% | \$22.20/mg | - | \$22.20/mg |
| | 2014 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$18.42/mg | - | \$18.42/mg |
| | 2014 1Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$18.42/mg | - | \$18.42/mg |
| | 2013 4Q | 6,065 | 0 | 6,065 | 12.4% | 0.0% | 12.4% | 6,065 | 0 | 6,065 | 12.4% | 0.0% | 12.4% | \$18.38/mg | - | \$18.38/mg |
| | 2013 3Q | 6,065 | 0 | 6,065 | 12.4% | 0.0% | 12.4% | 2,701 | 0 | 2,701 | 5.5% | 0.0% | 5.5% | \$18.00/mg | - | \$18.00/mg |
| | 2013 2Q | 6,065 | 0 | 6,065 | 12.4% | 0.0% | 12.4% | 6,065 | 0 | 6,065 | 12.4% | 0.0% | 12.4% | \$16.80/mg | - | \$16.80/mg |
| | 2013 1Q | 13,943 | 0 | 13,943 | 28.5% | 0.0% | 28.5% | 13,943 | 0 | 13,943 | 28.5% | 0.0% | 28.5% | \$16.80/mg | - | \$16.80/mg |
| | 2012 4Q | 9,494 | 0 | 9,494 | 19.4% | 0.0% | 19.4% | 9,494 | 0 | 9,494 | 19.4% | 0.0% | 19.4% | \$16.80/mg | - | \$16.80/mg |
| | 2012 3Q | 9,494 | 0 | 9,494 | 19.4% | 0.0% | 19.4% | 9,494 | 0 | 9,494 | 19.4% | 0.0% | 19.4% | \$18.67/mg | - | \$18.67/mg |
| | 2012 2Q | 10,721 | 4,782 | 15,503 | 21.9% | 9.8% | 31.7% | 10,721 | 4,782 | 15,503 | 21.9% | 9.8% | 31.7% | \$12.32/mg | \$11.88/fs | \$12.32/mg |
| 1656 McCarthy Blvd Milpitas, CA 95035 80,060 SF RBA | Current | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2014 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2014 3Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2014 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2014 1Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2013 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2013 3Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2013 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2013 1Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2012 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2012 3Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2012 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| 1900 McCarthy Blvd 1900 Bldg Milpitas, CA 95035 76,616 SF RBA | Current | 2,751 | 0 | 2,751 | 3.6% | 0.0% | 3.6% | 2,751 | 0 | 2,751 | 3.6% | 0.0% | 3.6% | \$25.80/fs | - | \$25.80/fs |
| | 2014 4Q | 2,751 | 4,123 | 6,874 | 3.6% | 5.4% | 9.0% | 2,751 | 4,123 | 6,874 | 3.6% | 5.4% | 9.0% | \$25.80/fs | \$18.00/fs | \$21.12/fs |
| | 2014 3Q | 5,088 | 9,951 | 15,039 | 6.6% | 13.0% | 19.6% | 2,751 | 9,951 | 12,702 | 3.6% | 13.0% | 16.6% | \$23.40/fs | \$18.66/fs | \$21.00/fs |
| | 2014 2Q | 5,058 | 9,951 | 15,009 | 6.6% | 13.0% | 19.6% | 5,058 | 9,951 | 15,009 | 6.6% | 13.0% | 19.6% | \$23.40/fs | \$19.32/fs | \$20.34/fs |
| | 2014 1Q | 5,058 | 11,092 | 16,150 | 6.6% | 14.5% | 21.1% | 5,058 | 11,092 | 16,150 | 6.6% | 14.5% | 21.1% | \$23.40/fs | \$18.69/fs | \$20.17/fs |
| | 2013 4Q | 5,058 | 11,092 | 16,150 | 6.6% | 14.5% | 21.1% | 5,058 | 11,092 | 16,150 | 6.6% | 14.5% | 21.1% | \$23.15/fs | \$18.69/fs | \$20.65/fs |
| | 2013 3Q | 12,362 | 11,092 | 23,454 | 16.1% | 14.5% | 30.6% | 6,408 | 11,092 | 17,500 | 8.4% | 14.5% | 22.8% | \$21.80/fs | \$18.69/fs | \$20.45/fs |
| | 2013 2Q | 29,742 | 0 | 29,742 | 38.8% | 0.0% | 38.8% | 13,578 | 0 | 13,578 | 17.7% | 0.0% | 17.7% | \$21.00/fs | - | \$21.00/fs |
| | 2013 1Q | 20,953 | 0 | 20,953 | 27.3% | 0.0% | 27.3% | 20,953 | 0 | 20,953 | 27.3% | 0.0% | 27.3% | \$21.00/fs | - | \$21.00/fs |
| | 2012 4Q | 20,953 | 0 | 20,953 | 27.3% | 0.0% | 27.3% | 20,953 | 0 | 20,953 | 27.3% | 0.0% | 27.3% | \$20.62/fs | - | \$20.62/fs |
| | 2012 3Q | 26,551 | 0 | 26,551 | 34.7% | 0.0% | 34.7% | 26,551 | 0 | 26,551 | 34.7% | 0.0% | 34.7% | \$19.20/fs | - | \$19.20/fs |
| | 2012 2Q | 39,532 | 0 | 39,532 | 51.6% | 0.0% | 51.6% | 26,551 | 0 | 26,551 | 34.7% | 0.0% | 34.7% | \$19.20/fs | - | \$19.20/fs |

Building Historical Vacancy Report

| Building | Period | SF Vacant | | | % Vacant | | | SF Vacant Available | | | % Vacant Available | | | Average Rate | | |
|---|---------|-----------|--------|--------|----------|--------|--------|---------------------|--------|--------|--------------------|--------|-------------|--------------|-------------|-------------|
| | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| 490 N McCarthy Blvd Bldg 2 Milpitas, CA 95035 53,666 SF RBA | Current | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2014 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2014 3Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2014 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2014 1Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2013 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2013 3Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2013 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2013 1Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$15.00/nnn | - | \$15.00/nnn |
| | 2012 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$15.00/nnn | - | \$15.00/nnn |
| | 2012 3Q | 39,664 | 0 | 39,664 | 73.9% | 0.0% | 73.9% | 12,831 | 0 | 12,831 | 23.9% | 0.0% | 23.9% | \$15.00/nnn | - | \$15.00/nnn |
| 2012 2Q | 39,664 | 0 | 39,664 | 73.9% | 0.0% | 73.9% | 12,831 | 0 | 12,831 | 23.9% | 0.0% | 23.9% | \$15.00/nnn | - | \$15.00/nnn | |
| 680 N McCarthy Blvd Bldg 9 Milpitas, CA 95035 62,874 SF RBA | Current | 0 | 14,254 | 14,254 | 0.0% | 22.7% | 22.7% | 0 | 14,254 | 14,254 | 0.0% | 22.7% | 22.7% | \$10.80/nnn | \$7.80/nnn | \$9.47/nnn |
| | 2014 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$10.80/nnn | - | \$10.80/nnn |
| | 2014 3Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$10.80/nnn | - | \$10.80/nnn |
| | 2014 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$10.80/nnn | - | \$10.80/nnn |
| | 2014 1Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$10.80/nnn | - | \$10.80/nnn |
| | 2013 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$10.80/nnn | - | \$10.80/nnn |
| | 2013 3Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$10.80/nnn | - | \$10.80/nnn |
| | 2013 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$12.00/nnn | - | \$12.00/nnn |
| | 2013 1Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$12.00/nnn | - | \$12.00/nnn |
| | 2012 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$12.00/nnn | - | \$12.00/nnn |
| | 2012 3Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| 2012 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - | |
| 820 N McCarthy Blvd Bldg 11 Milpitas, CA 95035 53,284 SF RBA | Current | 21,733 | 0 | 21,733 | 40.8% | 0.0% | 40.8% | 21,733 | 0 | 21,733 | 40.8% | 0.0% | 40.8% | - | - | - |
| | 2014 4Q | 21,733 | 0 | 21,733 | 40.8% | 0.0% | 40.8% | 21,733 | 0 | 21,733 | 40.8% | 0.0% | 40.8% | - | - | - |
| | 2014 3Q | 21,733 | 0 | 21,733 | 40.8% | 0.0% | 40.8% | 21,733 | 0 | 21,733 | 40.8% | 0.0% | 40.8% | - | - | - |
| | 2014 2Q | 21,733 | 0 | 21,733 | 40.8% | 0.0% | 40.8% | 21,733 | 0 | 21,733 | 40.8% | 0.0% | 40.8% | - | - | - |
| | 2014 1Q | 21,733 | 0 | 21,733 | 40.8% | 0.0% | 40.8% | 21,733 | 0 | 21,733 | 40.8% | 0.0% | 40.8% | - | - | - |
| | 2013 4Q | 21,733 | 0 | 21,733 | 40.8% | 0.0% | 40.8% | 21,733 | 0 | 21,733 | 40.8% | 0.0% | 40.8% | - | - | - |
| | 2013 3Q | 21,733 | 0 | 21,733 | 40.8% | 0.0% | 40.8% | 21,733 | 0 | 21,733 | 40.8% | 0.0% | 40.8% | - | - | - |
| | 2013 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2013 1Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2012 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2012 3Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| 2012 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$11.40/nnn | - | \$11.40/nnn | |

Building Historical Vacancy Report

| Building | Period | SF Vacant | | | % Vacant | | | SF Vacant Available | | | % Vacant Available | | | Average Rate | | |
|---|---------|-----------|--------|--------|----------|--------|--------|---------------------|--------|--------|--------------------|--------|-------------|--------------|-------------|-------------|
| | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| 840 N McCarthy Blvd Bldg 12 Milpitas, CA 95035 62,874 SF RBA | Current | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2014 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2014 3Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2014 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2014 1Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2013 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2013 3Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2013 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2013 1Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2012 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2012 3Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| 2012 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - | |
| 860 N McCarthy Blvd Bldg 13 Milpitas, CA 95035 53,284 SF RBA | Current | 26,642 | 0 | 26,642 | 50.0% | 0.0% | 50.0% | 26,642 | 0 | 26,642 | 50.0% | 0.0% | 50.0% | \$10.80/nnn | - | \$10.80/nnn |
| | 2014 4Q | 53,284 | 0 | 53,284 | 100.0% | 0.0% | 100.0% | 53,284 | 0 | 53,284 | 100.0% | 0.0% | 100.0% | \$10.80/nnn | - | \$10.80/nnn |
| | 2014 3Q | 53,284 | 0 | 53,284 | 100.0% | 0.0% | 100.0% | 53,284 | 0 | 53,284 | 100.0% | 0.0% | 100.0% | \$10.80/nnn | - | \$10.80/nnn |
| | 2014 2Q | 53,284 | 0 | 53,284 | 100.0% | 0.0% | 100.0% | 53,284 | 0 | 53,284 | 100.0% | 0.0% | 100.0% | \$10.80/nnn | - | \$10.80/nnn |
| | 2014 1Q | 53,284 | 0 | 53,284 | 100.0% | 0.0% | 100.0% | 53,284 | 0 | 53,284 | 100.0% | 0.0% | 100.0% | \$10.80/nnn | - | \$10.80/nnn |
| | 2013 4Q | 53,284 | 0 | 53,284 | 100.0% | 0.0% | 100.0% | 53,284 | 0 | 53,284 | 100.0% | 0.0% | 100.0% | \$10.80/nnn | - | \$10.80/nnn |
| | 2013 3Q | 53,284 | 0 | 53,284 | 100.0% | 0.0% | 100.0% | 53,284 | 0 | 53,284 | 100.0% | 0.0% | 100.0% | \$10.80/nnn | - | \$10.80/nnn |
| | 2013 2Q | 53,284 | 0 | 53,284 | 100.0% | 0.0% | 100.0% | 53,284 | 0 | 53,284 | 100.0% | 0.0% | 100.0% | \$12.00/nnn | - | \$12.00/nnn |
| | 2013 1Q | 53,284 | 0 | 53,284 | 100.0% | 0.0% | 100.0% | 53,284 | 0 | 53,284 | 100.0% | 0.0% | 100.0% | \$12.00/nnn | - | \$12.00/nnn |
| | 2012 4Q | 53,284 | 0 | 53,284 | 100.0% | 0.0% | 100.0% | 53,284 | 0 | 53,284 | 100.0% | 0.0% | 100.0% | \$12.00/nnn | - | \$12.00/nnn |
| | 2012 3Q | 53,284 | 0 | 53,284 | 100.0% | 0.0% | 100.0% | 53,284 | 0 | 53,284 | 100.0% | 0.0% | 100.0% | \$12.00/nnn | - | \$12.00/nnn |
| 2012 2Q | 53,284 | 0 | 53,284 | 100.0% | 0.0% | 100.0% | 53,284 | 0 | 53,284 | 100.0% | 0.0% | 100.0% | \$15.00/nnn | - | \$15.00/nnn | |
| 880 N McCarthy Blvd Bldg 15 Milpitas, CA 95035 62,674 SF RBA | Current | 31,437 | 0 | 31,437 | 50.2% | 0.0% | 50.2% | 31,437 | 0 | 31,437 | 50.2% | 0.0% | 50.2% | \$10.80/nnn | - | \$10.80/nnn |
| | 2014 4Q | 31,437 | 0 | 31,437 | 50.2% | 0.0% | 50.2% | 31,437 | 0 | 31,437 | 50.2% | 0.0% | 50.2% | \$10.80/nnn | - | \$10.80/nnn |
| | 2014 3Q | 31,437 | 0 | 31,437 | 50.2% | 0.0% | 50.2% | 31,437 | 0 | 31,437 | 50.2% | 0.0% | 50.2% | \$10.80/nnn | - | \$10.80/nnn |
| | 2014 2Q | 31,437 | 0 | 31,437 | 50.2% | 0.0% | 50.2% | 31,437 | 0 | 31,437 | 50.2% | 0.0% | 50.2% | \$10.80/nnn | - | \$10.80/nnn |
| | 2014 1Q | 31,437 | 0 | 31,437 | 50.2% | 0.0% | 50.2% | 31,437 | 0 | 31,437 | 50.2% | 0.0% | 50.2% | \$10.80/nnn | - | \$10.80/nnn |
| | 2013 4Q | 31,437 | 0 | 31,437 | 50.2% | 0.0% | 50.2% | 31,437 | 0 | 31,437 | 50.2% | 0.0% | 50.2% | \$10.80/nnn | - | \$10.80/nnn |
| | 2013 3Q | 31,437 | 0 | 31,437 | 50.2% | 0.0% | 50.2% | 31,437 | 0 | 31,437 | 50.2% | 0.0% | 50.2% | \$10.80/nnn | - | \$10.80/nnn |
| | 2013 2Q | 31,437 | 0 | 31,437 | 50.2% | 0.0% | 50.2% | 31,437 | 0 | 31,437 | 50.2% | 0.0% | 50.2% | \$12.00/nnn | - | \$12.00/nnn |
| | 2013 1Q | 31,437 | 0 | 31,437 | 50.2% | 0.0% | 50.2% | 31,437 | 0 | 31,437 | 50.2% | 0.0% | 50.2% | \$12.00/nnn | - | \$12.00/nnn |
| | 2012 4Q | 31,437 | 0 | 31,437 | 50.2% | 0.0% | 50.2% | 31,437 | 0 | 31,437 | 50.2% | 0.0% | 50.2% | \$12.00/nnn | - | \$12.00/nnn |
| | 2012 3Q | 31,437 | 0 | 31,437 | 50.2% | 0.0% | 50.2% | 31,437 | 0 | 31,437 | 50.2% | 0.0% | 50.2% | \$15.00/nnn | - | \$15.00/nnn |
| 2012 2Q | 31,437 | 0 | 31,437 | 50.2% | 0.0% | 50.2% | 31,437 | 0 | 31,437 | 50.2% | 0.0% | 50.2% | \$15.00/nnn | - | \$15.00/nnn | |

Building Historical Vacancy Report

| Building | Period | SF Vacant | | | % Vacant | | | SF Vacant Available | | | % Vacant Available | | | Average Rate | | |
|---|---------|-----------|--------|--------|----------|--------|-------|---------------------|--------|--------|--------------------|--------|-------|--------------|--------|-------------|
| | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| 890 N McCarthy Blvd Bldg 16 Milpitas, CA 95035 43,694 SF RBA | Current | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2014 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2014 3Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2014 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$12.00/nnn | - | \$12.00/nnn |
| | 2014 1Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$12.00/nnn | - | \$12.00/nnn |
| | 2013 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$12.00/nnn | - | \$12.00/nnn |
| | 2013 3Q | 10,954 | 0 | 10,954 | 25.1% | 0.0% | 25.1% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$12.00/nnn | - | \$12.00/nnn |
| | 2013 2Q | 10,924 | 0 | 10,924 | 25.0% | 0.0% | 25.0% | 10,924 | 0 | 10,924 | 25.0% | 0.0% | 25.0% | \$12.00/nnn | - | \$12.00/nnn |
| | 2013 1Q | 10,924 | 0 | 10,924 | 25.0% | 0.0% | 25.0% | 10,924 | 0 | 10,924 | 25.0% | 0.0% | 25.0% | \$12.00/nnn | - | \$12.00/nnn |
| | 2012 4Q | 10,924 | 0 | 10,924 | 25.0% | 0.0% | 25.0% | 10,924 | 0 | 10,924 | 25.0% | 0.0% | 25.0% | \$12.00/nnn | - | \$12.00/nnn |
| | 2012 3Q | 10,924 | 0 | 10,924 | 25.0% | 0.0% | 25.0% | 10,924 | 0 | 10,924 | 25.0% | 0.0% | 25.0% | \$12.00/nnn | - | \$12.00/nnn |
| | 2012 2Q | 10,924 | 0 | 10,924 | 25.0% | 0.0% | 25.0% | 10,924 | 0 | 10,924 | 25.0% | 0.0% | 25.0% | \$15.00/nnn | - | \$15.00/nnn |
| 920 N McCarthy Blvd Bldg 17 Milpitas, CA 95035 53,666 SF RBA | Current | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$10.80/nnn | - | \$10.80/nnn |
| | 2014 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$10.80/nnn | - | \$10.80/nnn |
| | 2014 3Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$10.80/nnn | - | \$10.80/nnn |
| | 2014 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$10.80/nnn | - | \$10.80/nnn |
| | 2014 1Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$10.80/nnn | - | \$10.80/nnn |
| | 2013 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$10.80/nnn | - | \$10.80/nnn |
| | 2013 3Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$10.80/nnn | - | \$10.80/nnn |
| | 2013 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$12.00/nnn | - | \$12.00/nnn |
| | 2013 1Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$12.00/nnn | - | \$12.00/nnn |
| | 2012 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$12.00/nnn | - | \$12.00/nnn |
| | 2012 3Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$12.00/nnn | - | \$12.00/nnn |
| | 2012 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$15.00/nnn | - | \$15.00/nnn |
| 673 Milpitas Blvd Milpitas, CA 95035 44,550 SF RBA | Current | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$23.40/fs | - | \$23.40/fs |
| | 2014 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$23.40/fs | - | \$23.40/fs |
| | 2014 3Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2014 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2014 1Q | 22,404 | 0 | 22,404 | 50.3% | 0.0% | 50.3% | 22,404 | 0 | 22,404 | 50.3% | 0.0% | 50.3% | - | - | - |
| | 2013 4Q | 22,404 | 0 | 22,404 | 50.3% | 0.0% | 50.3% | 22,404 | 0 | 22,404 | 50.3% | 0.0% | 50.3% | \$15.00/fs | - | \$15.00/fs |
| | 2013 3Q | 22,404 | 0 | 22,404 | 50.3% | 0.0% | 50.3% | 22,404 | 0 | 22,404 | 50.3% | 0.0% | 50.3% | \$15.00/fs | - | \$15.00/fs |
| | 2013 2Q | 22,404 | 0 | 22,404 | 50.3% | 0.0% | 50.3% | 22,404 | 0 | 22,404 | 50.3% | 0.0% | 50.3% | \$15.00/fs | - | \$15.00/fs |
| | 2013 1Q | 22,404 | 0 | 22,404 | 50.3% | 0.0% | 50.3% | 22,404 | 0 | 22,404 | 50.3% | 0.0% | 50.3% | \$15.00/fs | - | \$15.00/fs |
| | 2012 4Q | 22,404 | 0 | 22,404 | 50.3% | 0.0% | 50.3% | 22,404 | 0 | 22,404 | 50.3% | 0.0% | 50.3% | \$15.00/fs | - | \$15.00/fs |
| | 2012 3Q | 22,404 | 0 | 22,404 | 50.3% | 0.0% | 50.3% | 22,404 | 0 | 22,404 | 50.3% | 0.0% | 50.3% | \$15.00/fs | - | \$15.00/fs |
| | 2012 2Q | 22,404 | 0 | 22,404 | 50.3% | 0.0% | 50.3% | 22,404 | 0 | 22,404 | 50.3% | 0.0% | 50.3% | \$15.00/fs | - | \$15.00/fs |

Building Historical Vacancy Report

| Building | Period | SF Vacant | | | % Vacant | | | SF Vacant Available | | | % Vacant Available | | | Average Rate | | |
|--|---------|-----------|--------|--------|----------|--------|-------|---------------------|--------|--------|--------------------|--------|-------|--------------|--------|-------------|
| | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| 100 N Milpitas Blvd <i>Shapell Bldg</i> Milpitas, CA 95035 39,518 SF RBA | Current | 3,406 | 0 | 3,406 | 8.6% | 0.0% | 8.6% | 3,406 | 0 | 3,406 | 8.6% | 0.0% | 8.6% | \$21.00/fs | - | \$21.00/fs |
| | 2014 4Q | 3,406 | 0 | 3,406 | 8.6% | 0.0% | 8.6% | 3,406 | 0 | 3,406 | 8.6% | 0.0% | 8.6% | \$21.00/fs | - | \$21.00/fs |
| | 2014 3Q | 3,406 | 0 | 3,406 | 8.6% | 0.0% | 8.6% | 3,406 | 0 | 3,406 | 8.6% | 0.0% | 8.6% | \$21.00/fs | - | \$21.00/fs |
| | 2014 2Q | 3,406 | 0 | 3,406 | 8.6% | 0.0% | 8.6% | 3,406 | 0 | 3,406 | 8.6% | 0.0% | 8.6% | \$21.00/fs | - | \$21.00/fs |
| | 2014 1Q | 3,406 | 0 | 3,406 | 8.6% | 0.0% | 8.6% | 3,406 | 0 | 3,406 | 8.6% | 0.0% | 8.6% | \$21.00/fs | - | \$21.00/fs |
| | 2013 4Q | 7,132 | 0 | 7,132 | 18.0% | 0.0% | 18.0% | 7,132 | 0 | 7,132 | 18.0% | 0.0% | 18.0% | \$21.00/fs | - | \$21.00/fs |
| | 2013 3Q | 7,132 | 0 | 7,132 | 18.0% | 0.0% | 18.0% | 7,132 | 0 | 7,132 | 18.0% | 0.0% | 18.0% | \$21.00/fs | - | \$21.00/fs |
| | 2013 2Q | 7,132 | 0 | 7,132 | 18.0% | 0.0% | 18.0% | 7,132 | 0 | 7,132 | 18.0% | 0.0% | 18.0% | \$21.00/fs | - | \$21.00/fs |
| | 2013 1Q | 7,132 | 0 | 7,132 | 18.0% | 0.0% | 18.0% | 7,132 | 0 | 7,132 | 18.0% | 0.0% | 18.0% | \$21.00/fs | - | \$21.00/fs |
| | 2012 4Q | 7,132 | 0 | 7,132 | 18.0% | 0.0% | 18.0% | 7,132 | 0 | 7,132 | 18.0% | 0.0% | 18.0% | \$21.00/fs | - | \$21.00/fs |
| | 2012 3Q | 7,132 | 0 | 7,132 | 18.0% | 0.0% | 18.0% | 7,132 | 0 | 7,132 | 18.0% | 0.0% | 18.0% | \$21.00/fs | - | \$21.00/fs |
| | 2012 2Q | 7,132 | 0 | 7,132 | 18.0% | 0.0% | 18.0% | 7,132 | 0 | 7,132 | 18.0% | 0.0% | 18.0% | \$21.00/fs | - | \$21.00/fs |
| 691 S Milpitas Blvd <i>Project #5 Bldg</i> Milpitas, CA 95035 104,000 SF RBA | Current | 48,916 | 0 | 48,916 | 47.0% | 0.0% | 47.0% | 48,916 | 0 | 48,916 | 47.0% | 0.0% | 47.0% | \$22.20/fs | - | \$22.20/fs |
| | 2014 4Q | 48,916 | 0 | 48,916 | 47.0% | 0.0% | 47.0% | 48,916 | 0 | 48,916 | 47.0% | 0.0% | 47.0% | \$22.20/fs | - | \$22.20/fs |
| | 2014 3Q | 48,916 | 0 | 48,916 | 47.0% | 0.0% | 47.0% | 48,916 | 0 | 48,916 | 47.0% | 0.0% | 47.0% | \$22.20/fs | - | \$22.20/fs |
| | 2014 2Q | 48,916 | 0 | 48,916 | 47.0% | 0.0% | 47.0% | 48,916 | 0 | 48,916 | 47.0% | 0.0% | 47.0% | \$13.20/nnn | - | \$13.20/nnn |
| | 2014 1Q | 59,271 | 0 | 59,271 | 57.0% | 0.0% | 57.0% | 48,916 | 0 | 48,916 | 47.0% | 0.0% | 47.0% | \$13.20/nnn | - | \$13.20/nnn |
| | 2013 4Q | 59,271 | 0 | 59,271 | 57.0% | 0.0% | 57.0% | 59,271 | 0 | 59,271 | 57.0% | 0.0% | 57.0% | \$21.00/fs | - | \$21.00/fs |
| | 2013 3Q | 21,517 | 0 | 21,517 | 20.7% | 0.0% | 20.7% | 21,517 | 0 | 21,517 | 20.7% | 0.0% | 20.7% | \$21.00/fs | - | \$21.00/fs |
| | 2013 2Q | 21,517 | 0 | 21,517 | 20.7% | 0.0% | 20.7% | 21,517 | 0 | 21,517 | 20.7% | 0.0% | 20.7% | \$21.00/fs | - | \$21.00/fs |
| | 2013 1Q | 21,931 | 0 | 21,931 | 21.1% | 0.0% | 21.1% | 15,646 | 0 | 15,646 | 15.0% | 0.0% | 15.0% | \$19.80/fs | - | \$19.80/fs |
| | 2012 4Q | 21,931 | 0 | 21,931 | 21.1% | 0.0% | 21.1% | 21,931 | 0 | 21,931 | 21.1% | 0.0% | 21.1% | \$19.80/fs | - | \$19.80/fs |
| | 2012 3Q | 21,931 | 0 | 21,931 | 21.1% | 0.0% | 21.1% | 21,931 | 0 | 21,931 | 21.1% | 0.0% | 21.1% | \$19.80/fs | - | \$19.80/fs |
| | 2012 2Q | 15,944 | 0 | 15,944 | 15.3% | 0.0% | 15.3% | 15,944 | 0 | 15,944 | 15.3% | 0.0% | 15.3% | - | - | - |
| 1346-1376 Minnis Cir Milpitas, CA 95035 19,533 SF RBA | Current | 4,800 | 0 | 4,800 | 24.6% | 0.0% | 24.6% | 4,800 | 0 | 4,800 | 24.6% | 0.0% | 24.6% | \$13.20/mg | - | \$13.20/mg |
| | 2014 4Q | 4,800 | 0 | 4,800 | 24.6% | 0.0% | 24.6% | 4,800 | 0 | 4,800 | 24.6% | 0.0% | 24.6% | \$13.20/mg | - | \$13.20/mg |
| | 2014 3Q | 4,800 | 0 | 4,800 | 24.6% | 0.0% | 24.6% | 4,800 | 0 | 4,800 | 24.6% | 0.0% | 24.6% | \$13.20/mg | - | \$13.20/mg |
| | 2014 2Q | 4,800 | 0 | 4,800 | 24.6% | 0.0% | 24.6% | 4,800 | 0 | 4,800 | 24.6% | 0.0% | 24.6% | \$13.20/mg | - | \$13.20/mg |
| | 2014 1Q | 7,200 | 0 | 7,200 | 36.9% | 0.0% | 36.9% | 4,800 | 0 | 4,800 | 24.6% | 0.0% | 24.6% | \$12.40/mg | - | \$12.40/mg |
| | 2013 4Q | 7,200 | 0 | 7,200 | 36.9% | 0.0% | 36.9% | 7,200 | 0 | 7,200 | 36.9% | 0.0% | 36.9% | \$12.40/mg | - | \$12.40/mg |
| | 2013 3Q | 7,200 | 0 | 7,200 | 36.9% | 0.0% | 36.9% | 7,200 | 0 | 7,200 | 36.9% | 0.0% | 36.9% | \$12.40/mg | - | \$12.40/mg |
| | 2013 2Q | 4,800 | 0 | 4,800 | 24.6% | 0.0% | 24.6% | 4,800 | 0 | 4,800 | 24.6% | 0.0% | 24.6% | \$12.00/mg | - | \$12.00/mg |
| | 2013 1Q | 4,800 | 0 | 4,800 | 24.6% | 0.0% | 24.6% | 4,800 | 0 | 4,800 | 24.6% | 0.0% | 24.6% | \$12.00/mg | - | \$12.00/mg |
| | 2012 4Q | 4,800 | 0 | 4,800 | 24.6% | 0.0% | 24.6% | 4,800 | 0 | 4,800 | 24.6% | 0.0% | 24.6% | \$12.00/mg | - | \$12.00/mg |
| | 2012 3Q | 4,800 | 0 | 4,800 | 24.6% | 0.0% | 24.6% | 4,800 | 0 | 4,800 | 24.6% | 0.0% | 24.6% | \$12.00/mg | - | \$12.00/mg |
| | 2012 2Q | 4,800 | 0 | 4,800 | 24.6% | 0.0% | 24.6% | 4,800 | 0 | 4,800 | 24.6% | 0.0% | 24.6% | \$12.00/mg | - | \$12.00/mg |

Building Historical Vacancy Report

| Building | Period | SF Vacant | | | % Vacant | | | SF Vacant Available | | | % Vacant Available | | | Average Rate | | |
|---|---------|-----------|--------|--------|----------|--------|--------|---------------------|--------|--------|--------------------|--------|-------|--------------|-------------|-------------|
| | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| 720 Montague Expy <i>Milpitas, CA 95035</i> 39,976 SF RBA | Current | 9,682 | 0 | 9,682 | 24.2% | 0.0% | 24.2% | 9,682 | 0 | 9,682 | 24.2% | 0.0% | 24.2% | \$10.20/mg | - | \$10.20/mg |
| | 2014 4Q | 7,960 | 0 | 7,960 | 19.9% | 0.0% | 19.9% | 7,960 | 0 | 7,960 | 19.9% | 0.0% | 19.9% | \$11.16/mg | - | \$11.16/mg |
| | 2014 3Q | 7,960 | 0 | 7,960 | 19.9% | 0.0% | 19.9% | 7,960 | 0 | 7,960 | 19.9% | 0.0% | 19.9% | \$11.16/mg | - | \$11.16/mg |
| | 2014 2Q | 8,660 | 0 | 8,660 | 21.7% | 0.0% | 21.7% | 8,660 | 0 | 8,660 | 21.7% | 0.0% | 21.7% | \$11.16/mg | - | \$11.16/mg |
| | 2014 1Q | 8,660 | 0 | 8,660 | 21.7% | 0.0% | 21.7% | 8,660 | 0 | 8,660 | 21.7% | 0.0% | 21.7% | \$11.16/mg | - | \$11.16/mg |
| | 2013 4Q | 8,660 | 0 | 8,660 | 21.7% | 0.0% | 21.7% | 8,660 | 0 | 8,660 | 21.7% | 0.0% | 21.7% | \$11.16/mg | - | \$11.16/mg |
| | 2013 3Q | 8,660 | 0 | 8,660 | 21.7% | 0.0% | 21.7% | 8,660 | 0 | 8,660 | 21.7% | 0.0% | 21.7% | \$11.16/mg | - | \$11.16/mg |
| | 2013 2Q | 8,660 | 0 | 8,660 | 21.7% | 0.0% | 21.7% | 8,660 | 0 | 8,660 | 21.7% | 0.0% | 21.7% | \$11.16/mg | - | \$11.16/mg |
| | 2013 1Q | 8,660 | 0 | 8,660 | 21.7% | 0.0% | 21.7% | 8,660 | 0 | 8,660 | 21.7% | 0.0% | 21.7% | \$11.16/mg | - | \$11.16/mg |
| | 2012 4Q | 8,660 | 0 | 8,660 | 21.7% | 0.0% | 21.7% | 8,660 | 0 | 8,660 | 21.7% | 0.0% | 21.7% | \$11.16/mg | - | \$11.16/mg |
| | 2012 3Q | 15,738 | 0 | 15,738 | 39.4% | 0.0% | 39.4% | 5,860 | 0 | 5,860 | 14.7% | 0.0% | 14.7% | \$8.59/nnn | - | \$8.59/nnn |
| | 2012 2Q | 15,738 | 0 | 15,738 | 39.4% | 0.0% | 39.4% | 15,738 | 0 | 15,738 | 39.4% | 0.0% | 39.4% | \$8.59/nnn | - | \$8.59/nnn |
| 911-915 Murphy Ranch Rd <i>Bldg 5</i> <i>Milpitas, CA 95035</i> 92,220 SF RBA | Current | 70,380 | 19,530 | 89,910 | 76.3% | 21.2% | 97.5% | 70,380 | 19,530 | 89,910 | 76.3% | 21.2% | 97.5% | - | - | - |
| | 2014 4Q | 70,380 | 21,840 | 92,220 | 76.3% | 23.7% | 100.0% | 70,380 | 0 | 70,380 | 76.3% | 0.0% | 76.3% | - | - | - |
| | 2014 3Q | 70,380 | 21,840 | 92,220 | 76.3% | 23.7% | 100.0% | 70,380 | 0 | 70,380 | 76.3% | 0.0% | 76.3% | - | \$19.80/nnn | \$19.80/nnn |
| | 2014 2Q | 70,380 | 21,840 | 92,220 | 76.3% | 23.7% | 100.0% | 70,380 | 0 | 70,380 | 76.3% | 0.0% | 76.3% | - | \$19.80/nnn | \$19.80/nnn |
| | 2014 1Q | 70,380 | 21,840 | 92,220 | 76.3% | 23.7% | 100.0% | 70,380 | 0 | 70,380 | 76.3% | 0.0% | 76.3% | - | \$19.80/nnn | \$19.80/nnn |
| | 2013 4Q | 70,380 | 21,840 | 92,220 | 76.3% | 23.7% | 100.0% | 70,380 | 0 | 70,380 | 76.3% | 0.0% | 76.3% | - | - | - |
| | 2013 3Q | 0 | 39,631 | 39,631 | 0.0% | 43.0% | 43.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | \$5.88/nnn | \$5.88/nnn |
| | 2013 2Q | 0 | 39,631 | 39,631 | 0.0% | 43.0% | 43.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | \$5.88/nnn | \$5.88/nnn |
| | 2013 1Q | 0 | 39,631 | 39,631 | 0.0% | 43.0% | 43.0% | 0 | 39,631 | 39,631 | 0.0% | 43.0% | 43.0% | - | \$5.88/nnn | \$5.88/nnn |
| | 2012 4Q | 0 | 39,631 | 39,631 | 0.0% | 43.0% | 43.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | \$5.88/nnn | \$5.88/nnn |
| | 2012 3Q | 0 | 39,631 | 39,631 | 0.0% | 43.0% | 43.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | \$5.88/nnn | \$5.88/nnn |
| 2012 2Q | 0 | 39,631 | 39,631 | 0.0% | 43.0% | 43.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | \$5.88/nnn | \$5.88/nnn | |
| 40 N Park Victoria Dr <i>Park Victoria Medical Center</i> <i>Milpitas, CA 95035</i> 7,114 SF RBA | Current | 1,820 | 0 | 1,820 | 25.6% | 0.0% | 25.6% | 1,820 | 0 | 1,820 | 25.6% | 0.0% | 25.6% | \$28.20/mg | - | \$28.20/mg |
| | 2014 4Q | 1,820 | 0 | 1,820 | 25.6% | 0.0% | 25.6% | 1,820 | 0 | 1,820 | 25.6% | 0.0% | 25.6% | \$28.20/mg | - | \$28.20/mg |
| | 2014 3Q | 1,820 | 0 | 1,820 | 25.6% | 0.0% | 25.6% | 1,820 | 0 | 1,820 | 25.6% | 0.0% | 25.6% | \$28.20/mg | - | \$28.20/mg |
| | 2014 2Q | 1,820 | 0 | 1,820 | 25.6% | 0.0% | 25.6% | 1,820 | 0 | 1,820 | 25.6% | 0.0% | 25.6% | \$28.20/mg | - | \$28.20/mg |
| | 2014 1Q | 1,820 | 0 | 1,820 | 25.6% | 0.0% | 25.6% | 1,820 | 0 | 1,820 | 25.6% | 0.0% | 25.6% | \$28.20/mg | - | \$28.20/mg |
| | 2013 4Q | 1,820 | 0 | 1,820 | 25.6% | 0.0% | 25.6% | 1,820 | 0 | 1,820 | 25.6% | 0.0% | 25.6% | \$28.20/mg | - | \$28.20/mg |
| | 2013 3Q | 1,820 | 0 | 1,820 | 25.6% | 0.0% | 25.6% | 1,820 | 0 | 1,820 | 25.6% | 0.0% | 25.6% | \$28.20/mg | - | \$28.20/mg |
| | 2013 2Q | 1,820 | 0 | 1,820 | 25.6% | 0.0% | 25.6% | 1,820 | 0 | 1,820 | 25.6% | 0.0% | 25.6% | \$28.20/mg | - | \$28.20/mg |
| | 2013 1Q | 1,820 | 0 | 1,820 | 25.6% | 0.0% | 25.6% | 1,820 | 0 | 1,820 | 25.6% | 0.0% | 25.6% | \$28.20/mg | - | \$28.20/mg |
| | 2012 4Q | 1,820 | 0 | 1,820 | 25.6% | 0.0% | 25.6% | 1,820 | 0 | 1,820 | 25.6% | 0.0% | 25.6% | \$28.20/mg | - | \$28.20/mg |
| | 2012 3Q | 1,820 | 0 | 1,820 | 25.6% | 0.0% | 25.6% | 1,820 | 0 | 1,820 | 25.6% | 0.0% | 25.6% | \$28.20/mg | - | \$28.20/mg |
| | 2012 2Q | 1,820 | 0 | 1,820 | 25.6% | 0.0% | 25.6% | 1,820 | 0 | 1,820 | 25.6% | 0.0% | 25.6% | \$28.20/mg | - | \$28.20/mg |

Building Historical Vacancy Report

| Building | Period | SF Vacant | | | % Vacant | | | SF Vacant Available | | | % Vacant Available | | | Average Rate | | |
|--|--|-----------|--------|--------|----------|--------|--------|---------------------|--------|--------|--------------------|--------|--------|--------------|-------------|-------------|
| | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| 501 Sycamore Dr Milpitas, CA 95035 71,472 SF RBA | Current | 33,850 | 0 | 33,850 | 47.4% | 0.0% | 47.4% | 33,850 | 0 | 33,850 | 47.4% | 0.0% | 47.4% | \$11.40/nnn | - | \$11.40/nnn |
| | 2014 4Q | 33,772 | 0 | 33,772 | 47.3% | 0.0% | 47.3% | 33,772 | 0 | 33,772 | 47.3% | 0.0% | 47.3% | \$11.40/nnn | - | \$11.40/nnn |
| | 2014 3Q | 33,772 | 0 | 33,772 | 47.3% | 0.0% | 47.3% | 33,772 | 0 | 33,772 | 47.3% | 0.0% | 47.3% | \$11.40/nnn | - | \$11.40/nnn |
| | 2014 2Q | 33,772 | 0 | 33,772 | 47.3% | 0.0% | 47.3% | 33,772 | 0 | 33,772 | 47.3% | 0.0% | 47.3% | \$11.40/nnn | - | \$11.40/nnn |
| | 2014 1Q | 33,772 | 0 | 33,772 | 47.3% | 0.0% | 47.3% | 33,772 | 0 | 33,772 | 47.3% | 0.0% | 47.3% | \$11.40/nnn | - | \$11.40/nnn |
| | 2013 4Q | 33,772 | 0 | 33,772 | 47.3% | 0.0% | 47.3% | 33,772 | 0 | 33,772 | 47.3% | 0.0% | 47.3% | \$11.40/nnn | - | \$11.40/nnn |
| | 2013 3Q | 33,772 | 0 | 33,772 | 47.3% | 0.0% | 47.3% | 33,772 | 0 | 33,772 | 47.3% | 0.0% | 47.3% | \$11.40/nnn | - | \$11.40/nnn |
| | 2013 2Q | 69,709 | 0 | 69,709 | 97.5% | 0.0% | 97.5% | 33,772 | 0 | 33,772 | 47.3% | 0.0% | 47.3% | \$11.40/nnn | - | \$11.40/nnn |
| | 2013 1Q | 71,472 | 0 | 71,472 | 100.0% | 0.0% | 100.0% | 33,772 | 0 | 33,772 | 47.3% | 0.0% | 47.3% | \$11.40/nnn | - | \$11.40/nnn |
| | 2012 4Q | 71,472 | 0 | 71,472 | 100.0% | 0.0% | 100.0% | 71,472 | 0 | 71,472 | 100.0% | 0.0% | 100.0% | \$10.80/nnn | - | \$10.80/nnn |
| | 2012 3Q | 71,472 | 0 | 71,472 | 100.0% | 0.0% | 100.0% | 71,472 | 0 | 71,472 | 100.0% | 0.0% | 100.0% | \$10.80/nnn | - | \$10.80/nnn |
| | 2012 2Q | 71,472 | 0 | 71,472 | 100.0% | 0.0% | 100.0% | 71,472 | 0 | 71,472 | 100.0% | 0.0% | 100.0% | \$10.20/nnn | - | \$10.20/nnn |
| | 694-700 Tasman Dr Building 9 Milpitas, CA 95035 38,318 SF RBA | Current | 11,934 | 0 | 11,934 | 31.1% | 0.0% | 31.1% | 11,934 | 0 | 11,934 | 31.1% | 0.0% | 31.1% | \$18.00/nnn | - |
| 2014 4Q | | 11,934 | 0 | 11,934 | 31.1% | 0.0% | 31.1% | 11,934 | 0 | 11,934 | 31.1% | 0.0% | 31.1% | \$18.00/nnn | - | \$18.00/nnn |
| 2014 3Q | | 11,934 | 0 | 11,934 | 31.1% | 0.0% | 31.1% | 11,934 | 0 | 11,934 | 31.1% | 0.0% | 31.1% | \$18.00/nnn | - | \$18.00/nnn |
| 2014 2Q | | 11,934 | 0 | 11,934 | 31.1% | 0.0% | 31.1% | 11,934 | 0 | 11,934 | 31.1% | 0.0% | 31.1% | \$18.00/nnn | - | \$18.00/nnn |
| 2014 1Q | | 11,934 | 0 | 11,934 | 31.1% | 0.0% | 31.1% | 11,934 | 0 | 11,934 | 31.1% | 0.0% | 31.1% | \$17.40/nnn | - | \$17.40/nnn |
| 2013 4Q | | 11,934 | 0 | 11,934 | 31.1% | 0.0% | 31.1% | 11,934 | 0 | 11,934 | 31.1% | 0.0% | 31.1% | \$15.00/nnn | - | \$15.00/nnn |
| 2013 3Q | | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| 2013 2Q | | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| 2013 1Q | | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| 2012 4Q | | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| 2012 3Q | | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| 2012 2Q | | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |

Building Historical Vacancy Report

| Period | Properties | RBA | SF Vacant | | | % Vacant | | | SF Vacant Available | | | % Vacant Available | | | Average Rate | | |
|---------|------------|-----------|-----------|--------|---------|----------|--------|-------|---------------------|--------|---------|--------------------|--------|-------|--------------|------------|------------|
| | | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Avg Rate |
| Current | 46 | 2,719,708 | 501,422 | 36,383 | 537,805 | 18.4% | 1.3% | 19.8% | 499,431 | 36,383 | 535,814 | 18.4% | 1.3% | 19.7% | \$19.71/fs | \$16.35/fs | \$19.40/fs |
| 2014 4Q | 38 | 1,851,428 | 530,359 | 25,963 | 556,322 | 28.6% | 1.4% | 30.0% | 529,259 | 4,123 | 533,382 | 28.6% | 0.2% | 28.8% | \$19.14/fs | \$18.00/fs | \$19.05/fs |
| 2014 3Q | 38 | 1,851,428 | 546,599 | 31,791 | 578,390 | 29.5% | 1.7% | 31.2% | 541,099 | 9,951 | 551,050 | 29.2% | 0.5% | 29.8% | \$18.69/fs | \$20.14/fs | \$18.87/fs |
| 2014 2Q | 38 | 1,851,428 | 559,850 | 31,791 | 591,641 | 30.2% | 1.7% | 32.0% | 551,535 | 9,951 | 561,486 | 29.8% | 0.5% | 30.3% | \$18.59/fs | \$21.07/fs | \$18.91/fs |
| 2014 1Q | 38 | 1,851,428 | 599,777 | 32,932 | 632,709 | 32.4% | 1.8% | 34.2% | 585,388 | 11,092 | 596,480 | 31.6% | 0.6% | 32.2% | \$15.57/fs | \$21.07/fs | \$16.23/fs |
| 2013 4Q | 38 | 1,851,428 | 615,940 | 32,932 | 648,872 | 33.3% | 1.8% | 35.0% | 595,510 | 11,092 | 606,602 | 32.2% | 0.6% | 32.8% | \$16.52/fs | \$18.69/fs | \$16.56/fs |
| 2013 3Q | 38 | 1,851,428 | 497,895 | 50,723 | 548,618 | 26.9% | 2.7% | 29.6% | 473,637 | 11,092 | 484,729 | 25.6% | 0.6% | 26.2% | \$16.53/fs | \$12.08/fs | \$16.15/fs |
| 2013 2Q | 38 | 1,851,428 | 527,257 | 39,631 | 566,888 | 28.5% | 2.1% | 30.6% | 475,156 | 0 | 475,156 | 25.7% | 0.0% | 25.7% | \$17.05/fs | \$10.51/fs | \$16.59/fs |
| 2013 1Q | 38 | 1,851,428 | 527,973 | 42,127 | 570,100 | 28.5% | 2.3% | 30.8% | 480,205 | 42,127 | 522,332 | 25.9% | 2.3% | 28.2% | \$16.74/fs | \$5.88/fs | \$16.05/fs |
| 2012 4Q | 38 | 1,851,428 | 396,018 | 42,127 | 438,145 | 21.4% | 2.3% | 23.7% | 396,018 | 2,496 | 398,514 | 21.4% | 0.1% | 21.5% | \$16.55/fs | \$5.88/fs | \$15.88/fs |
| 2012 3Q | 38 | 1,851,428 | 456,144 | 52,077 | 508,221 | 24.6% | 2.8% | 27.5% | 419,433 | 0 | 419,433 | 22.7% | 0.0% | 22.7% | \$16.68/fs | \$7.94/fs | \$15.96/fs |
| 2012 2Q | 38 | 1,851,428 | 458,115 | 56,859 | 514,974 | 24.7% | 3.1% | 27.8% | 395,945 | 17,228 | 413,173 | 21.4% | 0.9% | 22.3% | \$17.26/fs | \$8.23/fs | \$16.52/fs |

Leasing Activity Report
3/24/2015 to 03/31/2015

| Building Address | RBA | SF Leased | Rent Paid/yr | Leasing Company / Phone | Tenant Name |
|-------------------------|---------------|-----------------|-----------------|---|------------------|
| Building/Park Name | Typical Floor | Sign Date | Space Use/Type | Leasing Company Brokers | Transaction Type |
| Submarket | Building Type | Move Date | Mailing Suite | Tenant Rep / Phone | |
| City | Class | Expiration Date | Leased Floor #s | Tenant Rep Brokers | |
| 1551 McCarthy Blvd | 48,926 SF | 1,991 SF | \$22.20/mg(est) | CBRE / (408) 453-7400 | - |
| Oak Creek Business Park | 24,463 SF | 03/25/2015 | Office/DIRECT | Christopher Shepherd, Nick Whitstone, Scott Prosser | Move In |
| Milpitas | Office | 04/24/2015 | 208 | - | |
| Milpitas, CA 95035 | B | - | 2 | - | |

DRAFT

Serra Center
Retail Market Highlights
as of June 5, 2015

Prepared for 200 Serra Way LLC

c/o Gary Wong, ArcheSpace GWSC

Prepared By:

Wayne Okubo, CDP, CSM, CLS, CMD, CRX, CPM®
Okubo Real Estate
BRE #01019710

And

WesTerra Investments LLC
1563 Solano Ave #188
Berkeley, CA 94706

Retail Market Highlights

- 1. The City of Milpitas has a tremendous amount of prominent retail centers including the Great Mall (1.4 million square feet), McCarthy Ranch (435,000 square feet), Milpitas Town Center and Milpitas Square with 99 Ranch as its anchor. Additionally, it is approximately 9 miles from regional shopping centers Santana Row in San Jose and Valley Fair Mall in Santa Clara.**
- 2. According to CoStar, the vacancy rate has been reduced from over 34% to just over 17% during the last three years while increasing the inventory by 500,000 square feet. It should be noted that these high vacancy levels are not sustainable by property owners nor will they allow financial institutions to underwrite new projects.**
- 3. Although there has been absorption of new retail space, there also is a large persistent vacancy in older strip shopping centers, where despite offering very competitive rental rates, tenants remain disinterested in them as stated in the DTZ Santa Clara County Retail Report attached as Appendix A.**
- 4. This report states that the retail market is being dictated by dual trends of consumer frugality and by e-commerce which leads to the expansion of luxury chains and discount chains while the mid-priced hard goods market is moving toward, and in many cases is being replaced by, food concepts (groceries and restaurants) and service concepts.**
- 5. Despite the fact that this is the strongest real estate market since the 2008 recession across all property types, this trend is evident in three pending retail projects in Milpitas. The 600 Barber Lane high-rise residential project that was to have included 149,000sf of multi-story retail is currently listed as "off market". The Pacific Mall Silicon Valley project, which was to have converted a portion of the existing McCarthy Ranch retail center into a 240-room hotel and 285,000sf of retail condominium space is also on hold. And in the mixed-use residential/retail property recently sold by Integral Partners to Lyon Communities, the amount of retail has been reduced from 75,000 to 57,000sf and the stated use has been identified as a grocery store.**
- 6. The rental rate over the last three (3) years has increased from \$24 per square foot to almost \$28 per square foot. For the Serra Center project to be successful, it will need to achieve retail rents of approximately \$30 per square foot NNN.**
- 7. Serra Center has excellent street visibility and access. If retail is to be successful here, it is recommended that the area be kept to about 10-15% of the overall square footage of the project and that the center be designed primarily for food uses (60-70%) and the remainder as convenience/service uses such as dry cleaners, beauty shops, mail service centers with a lifestyle and convenience orientation.**

Appendix A:

**DTZ Retail Market Summary; Santa Clara County
First Quarter 2015**

SANTA CLARA COUNTY

Retail Market Summary

First Quarter • 2015



SANTA CLARA COUNTY RETAIL

Economic Indicators

| | Q1 14 | Q1 15 | 12-Month Forecast |
|------------------------------|-------|-------|-------------------|
| Santa Clara Co. Employment | 880K | 974K | ▲ |
| Santa Clara Co. Unemployment | 6.1% | 4.3% | ▼ |
| U.S. Unemployment | 6.6% | 5.5% | ▼ |

Market Indicators

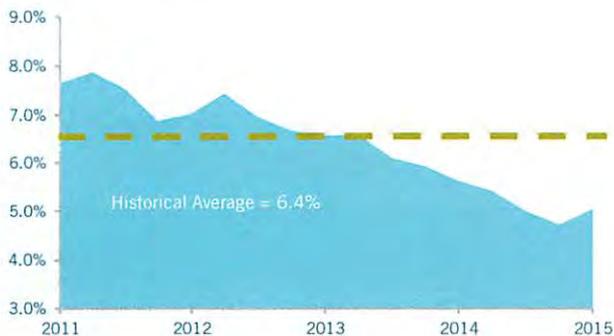
| | Q1 14 | Q1 15 | 12-Month Forecast |
|---------------------------|---------|---------|-------------------|
| Overall Vacancy | 5.6% | 5.0% | ▼ |
| Net Absorption SF | 257K | -68K | ▲ |
| Under Construction SF | 520K | 322K | ▲ |
| Average Asking Rent (NNN) | \$26.94 | \$27.85 | ▲ |

Net Absorption/Asking Rent (NNN)

NET ABSORPTION 1Q TRAILING AVERAGE



Overall Vacancy



Lack of Class A Space = Growth Slowdown

At the close of Q1 2015, shopping center vacancy in Santa Clara County stood at 5.0%, down from the 5.6% rate of a year ago but a slight increase from the 4.7% rate posted three months ago. This increase comes almost solely from the San Jose (Downtown/South/Campbell/Los Gatos) submarket, where vacancy ticked up from 3.9% to 4.9% in Q1 as -139,000 square feet (SF) of space was returned to market. Of all the region's trade areas, only the San Jose market posted significant declines in Q1. Occupancy growth was modestly positive in Sunnyvale/Cupertino, Santa Clara and Morgan Hill/Gilroy. It was essentially flat (+1 10,000 SF) in Palo Alto/Mountain View/Los Altos, Milpitas/North San Jose. But all told, the region's shopping center market saw occupancy decline by -68,000 SF in Q1.

This quarter's occupancy decline, however, is less the beginning of a new trend than an aberration. We tracked 59,000 SF of new space that was delivered in Q1, nearly all of which was occupied upon completion. We are also currently tracking 322,000 SF of product in the development pipeline. This space is slated for delivery through later this year and roughly half of it already has tenants in place. We anticipate that 80% or more of this space will be accounted for by the time it is completed and that lease up times will be short for the remainder of this product. Tenant demand remains robust, particularly for new Class A/B+ space.

There is just roughly 2.0 million square feet (MSF) of retail space available in Santa Clara County but about 90% of this is concentrated in local Class B-/C centers. Tenant demand continues to be impacted by two primary forces; consumer frugality and e-commerce. Frugality has meant that retail expansion has been driven by the extremes of the economic spectrum; the luxury chains and the discount chains. In terms of sheer numbers most of the action has been driven by the discounters and dollar stores who continue to expand aggressively though some off-price concepts and categories are now starting to reach saturation levels. The rise of e-commerce has meant that many of the same mid-priced hard goods chains that have been squeezed by frugality are also in the process of shifting their models towards omni-channel growth (I.E. closing weaker locations while aggressive expanding their e-commerce capabilities). Bricks and mortar growth is increasingly being driven by retail concepts that don't compete with e-commerce; food concepts (grocery and restaurants) and service concepts. But one thing has, so

Retail Market Summary

First Quarter • 2015

far, remained a constant with the lion's share of retail concepts expanding their store counts and that is demand for Class A/B+ product. The challenge is that there is little Class A/B+ vacancy, which is why growth totals fell in Q1. Limited availability is hampering growth and deal activity; we tracked just 202,000 SF of gross absorption in Q1. Last year, the market averaged 423,000 SF of quarterly deal activity. So far, space users have continued to demonstrate that they are willing to pay top dollar for Class A/B+ product but that they are also willing to forego deals if the only options available to them are in Class B-/C centers (even if those projects are offering comparative bargains).

Space users have continued to demonstrate that they are willing to pay top dollar for Class A/B+ product and that they aren't interested in bargains at the lesser space...

The current average asking rent in the region is \$27.85 per square foot (PSF) on an annual triple net basis. This metric has increased by just 3.3% over the past year but is somewhat misleading. Premium shop space in new centers is now regularly leasing for \$72.00 PSF or more, and trophy center rents have climbed by more than 10.0% in the past year. The overall metrics have been weighed down by low asking rates in Class C projects, where the leasing environment remains extremely competitive. This isn't likely to change any time soon; occupancy gains from new construction will result in positive growth tallies for Q2 though overall vacancy levels won't change much. Rental rate growth will continue to be aggressive for quality space while the leasing environment for older Class B-/C centers will remain competitive.

Outlook

- Despite this quarter's slick uptick in vacancy, demand is up everywhere. Residential growth, low employment and top national income stats are helping to drive significant retailer interest in Santa Clara County.
- The Palo Alto/Mountain View/Los Altos submarket is the regions tightest with just 3.3% vacancy.
- The San Jose market posted occupancy declines in Q1 they were limited to Class B-/C space. Demand remains hot in both Downtown and the Stevens Creek Boulevard Corridor.

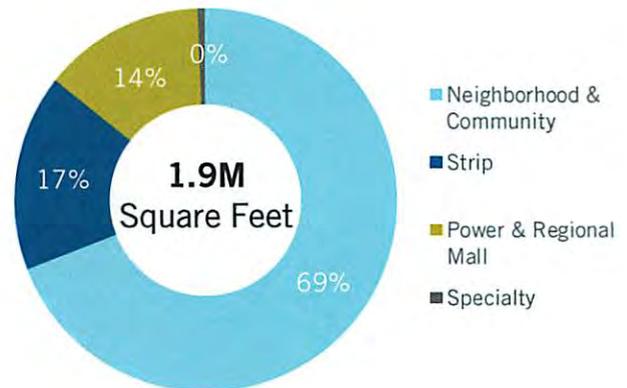
Average Asking Rate by Market (NNN)

SANTA CLARA COUNTY RETAIL RENTS INFLUENCED BY TECH BOOM



Availabilities by Center Type

SPACE PREDOMINANTLY IN NEIGHBORHOOD & COMMUNITY CENTERS



Average Asking Rate by Type (NNN)

STRIP CENTERS SEE RISE IN RENTS FOR Q1



SANTA CLARA COUNTY

Retail Market Summary

First Quarter • 2015

| | INVENTORY | SUBLEASE AVAILABLE SPACE | DIRECT AVAILABLE SPACE | TOTAL AVAILABLE SPACE | VACANCY RATE | Q1-15 NET ABSORPTION | YTD NET ABSORPTION | AVERAGE ASKING RENT NNN |
|--|-------------------|--------------------------|------------------------|-----------------------|--------------|----------------------|--------------------|-------------------------|
| Submarket | | | | | | | | |
| San Jose (DT/South)/Campbell/Los Gatos | 18,527,673 | 846,119 | 62,286 | 908,405 | 4.9% | (138,526) | (138,526) | \$30.00 |
| Sunnyvale/Cupertino | 4,612,272 | 158,072 | 6,246 | 164,318 | 3.6% | 19,949 | 19,949 | \$35.66 |
| Santa Clara | 2,530,509 | 77,550 | 33,350 | 110,900 | 4.4% | 14,900 | 14,900 | \$32.16 |
| Palo Alto/Mountain View/Los Altos | 2,713,079 | 89,255 | 0 | 89,255 | 3.3% | (407) | (407) | \$31.56 |
| Milpitas/North San Jose | 4,876,107 | 260,651 | 2,940 | 263,591 | 5.4% | 6,176 | 6,176 | \$27.62 |
| Morgan Hill/Gilroy | 4,718,147 | 375,370 | 0 | 375,370 | 8.0% | 29,847 | 29,847 | \$18.66 |
| Shopping Centers by Type | | | | | | | | |
| Neighborhood & Community | 26,192,769 | 1,271,218 | 82,357 | 1,353,575 | 5.2% | (22,396) | (22,396) | \$27.57 |
| Strip | 5,824,612 | 318,428 | 6,246 | 324,674 | 5.6% | (8,748) | (8,748) | \$28.77 |
| Power & Regional | 5,166,201 | 247,312 | 20,645 | 267,957 | 5.2% | (33,272) | (33,272) | \$28.75 |
| Specialty | 1,690,438 | 11,305 | 0 | 11,305 | 0.7% | (3,900) | (3,900) | N/A |
| TOTAL | 38,874,020 | 1,848,263 | 109,248 | 1,957,511 | 5.0% | (68,316) | (68,316) | \$27.85 |

Key Lease Transactions Q1 15

| PROPERTY | SF | TENANT | TRANSACTION TYPE | CITY |
|------------------|---------|---------------------|------------------|-------------|
| 1600 Monterey Rd | 100,088 | Walmart | New Lease | Santa Clara |
| 20580 Homestead | 38,413 | Ross Dress for Less | New Lease | Cupertino |
| 1322 Mary S. | 23,200 | Zanotto's | New Lease | San Jose |
| 8595 Monterey | 16,637 | Sunbelt Rentals | New Lease | Gilroy |

Key Investment Sale Transactions Q1 15

| PROPERTY | SF | BUYER | SALE PRICE | MARKET |
|---------------------|---------|---------------------------------|---------------|---------------|
| Village Oaks | 175,000 | DS Village Oaks, LP | \$111,000,000 | San Jose |
| San Antonio Center | 368,912 | Federal Realty Investment Trust | \$49,760,000 | Mountain View |
| Cambrian Park Plaza | 170,427 | Weingarten Realty Investors | \$49,000,000 | San Jose |

Retail Market Summary

First Quarter • 2015

Retail Submarkets

Santa Clara County



About DTZ

DTZ is a global leader in commercial real estate services providing occupiers, tenants and investors around the world with a full spectrum of property solutions. The company's core capabilities include agency leasing, tenant representation, corporate and global occupier services, property management, facilities management, facilities services, capital markets, investment and asset management, valuation, research, consulting, and project and development management. DTZ provides property management for 1.9 billion square feet, or 171 million square meters, and facilities management for 1.3 billion square feet, or 124 million square meters. The company completed \$63 billion in transaction volume globally in 2014 on behalf of institutional, corporate, government and private clients. Headquartered in Chicago, DTZ has more than 28,000 employees who operate across more than 260 offices in 50 countries and represent the company's culture of excellence, client advocacy, integrity and collaboration. For further information, visit: www.dtz.com or follow us on Twitter @DTZ.

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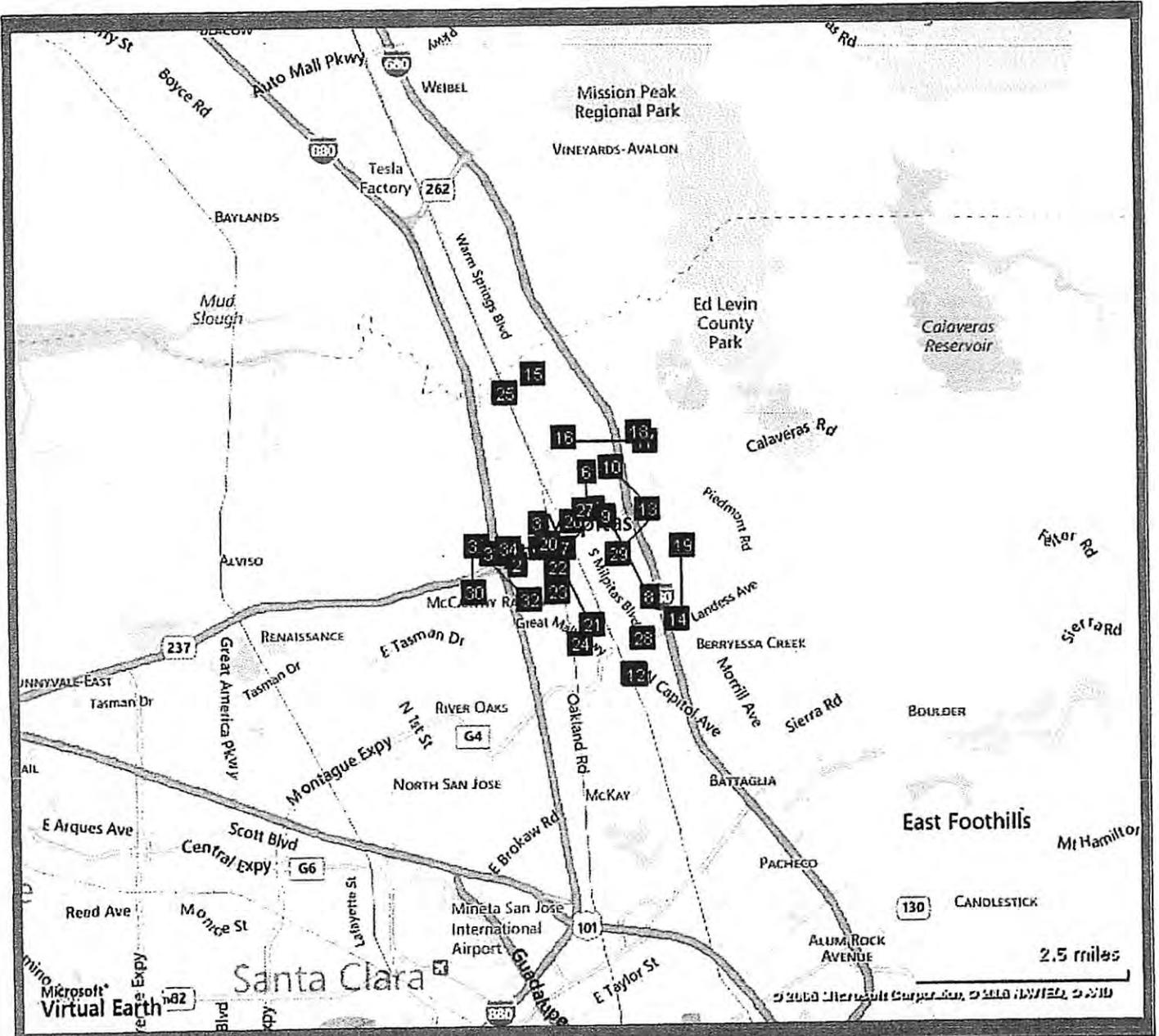
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Appendix B:

**Costar Retail Listing Information
as of March 31, 2015**



1
55-79 S Abbott Ave
Milpitas, CA 95035
Santa Clara County
Milpitas Submarket

Building Type: Retail
Status: Built 1969
Building Size: 9,364 SF
Land Area: 0.91 AC
Stories: 1
Expenses: 2014 Tax @ \$0.47/sf; 2012 Ops @ \$2.52/sf

Space Avail: 1,100 SF
Max Contig: 1,100 SF
Smallest Space: 1,100 SF
Rent/SF/Yr: \$24.00
% Leased: 88.3%

| | | |
|--|--|--|
| <p>301-315 S Abbott Ave Milpitas, CA 95035 Santa Clara County SWC of Calaveras and Hwy 880</p> <p>Building Type: Retail//Strip Ctr Status: Built 1990, Renov May 2007 Building Size: 11,965 SF Land Area: 1.18 AC Stories: 1 Expenses: 2012 Ops @ \$4.80/sf</p> <p>Space Avail: 1,331 SF Max Contig: 1,331 SF Smallest Space: 1,331 SF Rent/SF/Yr: \$33.00 % Leased: 88.9%</p> | <p>749 E Calaveras Blvd Milpitas, CA 95035 Santa Clara County Milpitas Submarket</p> <p>Building Type: Retail//Freestanding Status: Built 1982, Renov Jun 2007 Building Size: 75,060 SF Land Area: 6.91 AC Stories: 1 Expenses: 2014 Tax @ \$1.88/sf; 2012 Ops @ \$7.68/sf</p> <p>Space Avail: 73,709 SF Max Contig: 73,709 SF Smallest Space: 18,750 SF Rent/SF/Yr: \$24.00-\$39.00 % Leased: 1.8%</p> |  <p>7</p> |
| <p>521-581 E Calaveras Blvd Milpitas, CA 95035 Santa Clara County Milpitas Submarket</p> <p>Building Type: Retail//Freestanding Status: Built 2000 Building Size: 63,063 SF Land Area: 22.42 AC Stories: 1 Expenses: 2012 Tax @ \$2.50/sf; 2012 Ops @ \$7.68/sf</p> <p>Space Avail: 1,906 SF Max Contig: 1,080 SF Smallest Space: 826 SF Rent/SF/Yr: \$24.00-\$39.00 % Leased: 97.0%</p> | <p>595-649 E Calaveras Ave Milpitas, CA 95035 Santa Clara County Milpitas Submarket</p> <p>Building Type: Retail//Freestanding (Community Ctr) Status: Built 1961 Building Size: 48,109 SF Land Area: 46 AC Stories: 1 Expenses: 2012 Tax @ \$2.50/sf; 2012 Ops @ \$7.68/sf</p> <p>Space Avail: 19,093 SF Max Contig: 11,400 SF Smallest Space: 1,400 SF Rent/SF/Yr: \$24.00-\$39.00 % Leased: 84.0%</p> |  <p>6</p> |
| <p>122-148 Calaveras Blvd Milpitas, CA 95035 Santa Clara County Milpitas Submarket</p> <p>Building Type: Retail//Freestanding (Strip Ctr) Status: Built 1977 Building Size: 10,000 SF Land Area: 0.98 AC Stories: 1 Expenses: 2014 Tax @ \$1.96/sf</p> <p>Space Avail: 1,015 SF Max Contig: 1,015 SF Smallest Space: 1,015 SF Rent/SF/Yr: \$19.80 % Leased: 100%</p> | <p>200 N Abel St Milpitas, CA 95035 Santa Clara County Milpitas Submarket</p> <p>Building Type: Retail//Storefront Retail//Office Status: Built 1987 Building Size: 3,660 SF Land Area: 0.69 AC Stories: 1 Expenses: 2009 Tax @ \$6.32/sf</p> <p>Space Avail: 1,330 SF Max Contig: 1,330 SF Smallest Space: 1,330 SF Rent/SF/Yr: \$27.00-\$30.00 % Leased: 63.7%</p> |  <p>5</p> |
| <p>301-315 S Abbott Ave Milpitas, CA 95035 Santa Clara County SWC of Calaveras and Hwy 880</p> <p>Building Type: Retail//Strip Ctr Status: Built 1990, Renov May 2007 Building Size: 11,965 SF Land Area: 1.18 AC Stories: 1 Expenses: 2012 Ops @ \$4.80/sf</p> <p>Space Avail: 1,331 SF Max Contig: 1,331 SF Smallest Space: 1,331 SF Rent/SF/Yr: \$33.00 % Leased: 88.9%</p> | <p>749 E Calaveras Blvd Milpitas, CA 95035 Santa Clara County Milpitas Submarket</p> <p>Building Type: Retail//Freestanding Status: Built 1982, Renov Jun 2007 Building Size: 75,060 SF Land Area: 6.91 AC Stories: 1 Expenses: 2014 Tax @ \$1.88/sf; 2012 Ops @ \$7.68/sf</p> <p>Space Avail: 73,709 SF Max Contig: 73,709 SF Smallest Space: 18,750 SF Rent/SF/Yr: \$24.00-\$39.00 % Leased: 1.8%</p> |  <p>4</p> |

| | | | | |
|----|---|--|--|---|
| 8 |  | <p>750-752 E Calaveras Blvd Milpitas, CA 95035 Santa Clara County Milpitas Submarket</p> | <p>Building Type: Retail/Storefront Retail/Office Status: Built 1980, Renov 1995 Building Size: 25,000 SF Land Area: 1 AC Stories: 2 Expenses: 2014 Tax @ \$2.03/sf; 2009 Ops @ \$7.08/sf</p> | <p>Space Avail: 4,200 SF Max Contig: 2,400 SF Smallest Space: 1,800 SF Rent/SF/Yr: \$33.00-\$36.00 % Leased: 83.2%</p> |
| 9 |  | <p>757-767 E Calaveras Blvd Big 5 Milpitas, CA 95035 Santa Clara County Milpitas Submarket</p> | <p>Building Type: Retail/Freestanding Status: Built 1989 Building Size: 14,045 SF Land Area: 1.13 AC Stories: 1 Expenses: 2014 Tax @ \$1.57/sf; 2012 Ops @ \$7.68/sf</p> | <p>Space Avail: 3,850 SF Max Contig: 1,981 SF Smallest Space: 1,869 SF Rent/SF/Yr: \$24.00-\$39.00 % Leased: 72.6%</p> |
| 10 |  | <p>1301 E Calaveras Blvd Victorian Square Milpitas, CA 95035 Santa Clara County Milpitas Submarket</p> | <p>Building Type: Retail/Storefront Retail/Office Status: Built 1979 Building Size: 7,737 SF Land Area: 0.69 AC Stories: 1 Expenses: 2012 Tax @ \$3.38/sf; 2012 Ops @ \$6.96/sf</p> | <p>Space Avail: 3,478 SF Max Contig: 3,478 SF Smallest Space: 1,000 SF Rent/SF/Yr: \$30.00 % Leased: 55.1%</p> |
| 14 |  | <p>774-880 E Capitol Ave Bldg B Milpitas, CA 95035 Santa Clara County Milpitas Submarket</p> | <p>Building Type: Class B Office Status: Built Sep 2008 Building Size: 10,490 SF Typical Floor Size: 5,245 SF Stories: 2 Expenses: 2009 Tax @ \$2.57/sf</p> | <p>Space Avail: 6,585 SF Max Contig: 4,585 SF Smallest Space: 800 SF Rent/SF/Yr: \$25.20-\$42.00 % Leased: 37.2%</p> |
| 12 |  | <p>888 E Capitol Ave Bldg A Milpitas, CA 95035 Santa Clara County Milpitas Submarket</p> | <p>Building Type: Class B Office/Medical Status: Built Aug 2008 Building Size: 2,035 SF Typical Floor Size: 2,035 SF Stories: 1 Expenses: 2014 Tax @ \$3.39/sf</p> | <p>Space Avail: 2,035 SF Max Contig: 2,035 SF Smallest Space: 2,035 SF Rent/SF/Yr: \$42.00 % Leased: 0%</p> |
| 13 |  | <p>49-91 Dempsey Rd Calaveras Dempsey Retail Milpitas, CA 95035 Santa Clara County Milpitas Submarket</p> | <p>Building Type: Retail/Freestanding (Strip Ctr) Status: Built 1987 Building Size: 11,027 SF Land Area: 0.98 AC Stories: 1 Expenses: 2014 Tax @ \$4.08/sf, 2011 Est Tax @ \$3.80/sf; 2014 Ops @ \$10.08/sf, 2012 Est Ops @ \$5.04/sf</p> | <p>Space Avail: 2,110 SF Max Contig: 2,110 SF Smallest Space: 2,110 SF Rent/SF/Yr: Withheld % Leased: 80.9%</p> |

14



1400-1426 Dempsey Rd
Milpitas, CA 95035
Santa Clara County
Milpitas Submarket

Building Type: **Retail/Freestanding**
 Status: **Built 1987**
 Building Size: **16,228 SF**
 Land Area: **1.26 AC**
 Stories: **1**
 Expenses: **2014 Tax @ \$3.28/sf; 2013 Ops @ \$4.08/sf**

Space Avail: **2,554 SF**
 Max Contig: **1,514 SF**
 Smallest Space: **1,040 SF**
 Rent/SF/Yr: **\$22.80-\$23.40**
 % Leased: **93.6%**

15



127-141 E Dixon Rd
Milpitas, CA 95035
Santa Clara County
Milpitas Submarket

Building Type: **Retail/Freestanding**
 Status: **Built 1965**
 Building Size: **5,652 SF**
 Land Area: **0.51 AC**
 Stories: **1**
 Expenses: **2014 Tax @ \$2.22/sf**

Space Avail: **1,850 SF**
 Max Contig: **1,000 SF**
 Smallest Space: **850 SF**
 Rent/SF/Yr: **\$22.68-\$24.00**
 % Leased: **67.3%**

16



275-473 Jacklin Rd
Foothill Square Shopping Center
Milpitas, CA 95035
Santa Clara County
Milpitas Submarket

Building Type: **Retail/(Neighborhood Ctr)**
 Status: **Built 1988**
 Building Size: **78,404 SF**
 Land Area: **2.56 AC**
 Stories: **1**
 Expenses: **2014 Tax @ \$0.51/sf; 2011 Ops @ \$5.64/sf**

Space Avail: **41,947 SF**
 Max Contig: **36,022 SF**
 Smallest Space: **900 SF**
 Rent/SF/Yr: **\$18.00-\$27.00**
 % Leased: **92.4%**

17



487-495 Jacklin Rd
Milpitas, CA 95035
Santa Clara County
Milpitas Submarket

Building Type: **Retail/Freestanding**
 Status: **Built 1988**
 Building Size: **5,399 SF**
 Land Area: **2.61 AC**
 Stories: **1**
 Expenses: **2014 Tax @ \$4.19/sf; 2011 Ops @ \$5.64/sf**

Space Avail: **3,063 SF**
 Max Contig: **3,063 SF**
 Smallest Space: **3,063 SF**
 Rent/SF/Yr: **\$21.00**
 % Leased: **43.3%**

18



1301-1369 Jacklin Rd
Milpitas, CA
Santa Clara County
Milpitas Submarket

Building Type: **Retail/Freestanding (Strip Ctr)**
 Status: **Built 1988**
 Building Size: **18,629 SF**
 Land Area: **1.51 AC**
 Stories: **1**
 Expenses: **2014 Tax @ \$2.81/sf**

Space Avail: **3,563 SF**
 Max Contig: **1,500 SF**
 Smallest Space: **841 SF**
 Rent/SF/Yr: **\$18.00**
 % Leased: **80.9%**

19



1455-1487 Landess Ave
Milpitas, CA 95035
Santa Clara County
Milpitas Submarket

Building Type: **Retail/Freestanding**
 Status: **Built 1989**
 Building Size: **10,000 SF**
 Land Area: **1.05 AC**
 Stories: **1**
 Expenses: **2014 Tax @ \$4.39/sf**

Space Avail: **3,700 SF**
 Max Contig: **3,700 SF**
 Smallest Space: **1,500 SF**
 Rent/SF/Yr: **\$36.00-\$42.00**
 % Leased: **63.0%**

20



81-91 S Main St
Milpitas, CA 95035
Santa Clara County
Milpitas Submarket

Building Type: **Retail/Freestanding**
 Status: **Built 1968**
 Building Size: **4,190 SF**
 Land Area: **0.40 AC**
 Stories: **1**
 Expenses: **2013 Tax @ \$2.12/sf; 2013 Est Ops @ \$1.68/sf**

Space Avail: **1,172 SF**
 Max Contig: **1,172 SF**
 Smallest Space: **1,172 SF**
 Rent/SF/Yr: **\$15.00**
 % Leased: **72.0%**

21



134-158 S Main St
Central Plaza
Milpitas, CA 95035
Santa Clara County
Serra Way & Calaveras Blvd
Milpitas Submarket

Building Type: **Retail**
 Status: **Built 1962**
 Building Size: **8,400 SF**
 Land Area: **1.04 AC**
 Stories: **1**
 Expenses: **2013 Tax @ \$4.32/sf, 2011 Est Tax @ \$0.50/sf; 2013 Ops @ \$1.44/sf, 2011 Est Ops @ \$4.32/sf**

Space Avail: **1,200 SF**
 Max Contig: **1,200 SF**
 Smallest Space: **1,200 SF**
 Rent/SF/Yr: **\$19.20**
 % Leased: **85.7%**

22



372-396 S Main St
Milpitas, CA 95035
Santa Clara County
Milpitas Submarket

Building Type: **Retail/Freestanding**
 Status: **Built 1964**
 Building Size: **7,500 SF**
 Land Area: **0.71 AC**
 Stories: **1**
 Expenses: **2014 Tax @ \$1.55/sf**

Space Avail: **1,421 SF**
 Max Contig: **800 SF**
 Smallest Space: **621 SF**
 Rent/SF/Yr: **\$24.00-\$29.04**
 % Leased: **81.1%**

23



621-643 S Main St
Villa Milpitas Center
Milpitas, CA 95035
Santa Clara County
Near Curtis Ave
Milpitas Submarket

Building Type: **Retail/(Strip Ctr)**
 Status: **Built 1975**
 Building Size: **10,749 SF**
 Land Area: **0.72 AC**
 Stories: **2**
 Expenses: **2014 Tax @ \$2.01/sf**

Space Avail: **1,450 SF**
 Max Contig: **1,450 SF**
 Smallest Space: **1,450 SF**
 Rent/SF/Yr: **\$21.60**
 % Leased: **100%**

24



McCandless Dr @ Great Mall Pkwy
The District at Milpitas
Milpitas, CA 95035
Santa Clara County
Great Mall Pkwy @ McCandless Dr.

Building Type: **Class A Multi-Family/Apartments**
 Status: **Proposed, breaks ground Jul 2015**
 Building Size: **500,000 SF**
 Land Area: **-**
 Stories: **6**
 Expenses: **2012 Tax @ \$33.68/Unit**

Space Avail: **80,000 SF**
 Max Contig: **80,000 SF**
 Smallest Space: **80,000 SF**
 Rent/SF/Yr: **Withheld**
 % Leased: **0%**

25



1774-1838 Milmont Dr
Milpitas, CA 95035
Santa Clara County
Milpitas Submarket

Building Type: **Retail/(Strip Ctr)**
 Status: **Built 1991**
 Building Size: **19,375 SF**
 Land Area: **1.86 AC**
 Stories: **1**
 Expenses: **2014 Tax @ \$3.65/sf; 2013 Ops @ \$4.68/sf**

Space Avail: **687 SF**
 Max Contig: **687 SF**
 Smallest Space: **687 SF**
 Rent/SF/Yr: **\$22.80**
 % Leased: **96.5%**

26



15-85 N Milpitas Blvd
City Square
Milpitas, CA 95035
Santa Clara County
Milpitas Submarket

Building Type: **Retail/Storefront**
 (Neighborhood Ctr)

Status: **Built 1983**

Building Size: **81,238 SF**

Land Area: **8.37 AC**

Stories: **1**

Expenses: **2014 Tax @ \$1.41/sf; 2011 Ops @ \$6.27/sf**

Space Avail: **4,640 SF**
 Max Contig: **2,940 SF**
 Smallest Space: **1,700 SF**
 Rent/SF/Yr: **\$24.00-\$28.20**
 % Leased: **97.9%**

27



136-148 N Milpitas Blvd
Milpitas, CA 95035
Santa Clara County
Milpitas Submarket

Building Type: **Retail/Freestanding**

Status: **Built 1986**

Building Size: **8,417 SF**

Land Area: **22.42 AC**

Stories: **1**

Expenses: **2012 Tax @ \$3.15/sf; 2012 Ops @ \$9.67/sf**

Space Avail: **1,300 SF**
 Max Contig: **1,300 SF**
 Smallest Space: **1,300 SF**
 Rent/SF/Yr: **\$24.00-\$39.00**
 % Leased: **84.6%**

28



985 Montague Expy
Milpitas, CA 95035
Santa Clara County
Milpitas Submarket

Building Type: **Class C Warehouse**

Status: **Built 1967**

Building Size: **9,760 SF**

Land Area: **4.60 AC**

Stories: **1**

Expenses: **2009 Tax @ \$4.95/sf**

Space Avail: **9,760 SF**
 Max Contig: **9,760 SF**
 Smallest Space: **9,760 SF**
 Rent/SF/Yr: **Withheld**
 % Leased: **0%**

29



102-118 S Park Victoria Dr
Milpitas, CA 95035
Santa Clara County
Milpitas Submarket

Building Type: **Retail/Freestanding**

Status: **Built 1978**

Building Size: **6,646 SF**

Land Area: **5.95 AC**

Stories: **1**

Expenses: **2012 Tax @ \$0.58/sf; 2012 Ops @ \$2.40/sf**

Space Avail: **1,275 SF**
 Max Contig: **1,275 SF**
 Smallest Space: **1,275 SF**
 Rent/SF/Yr: **\$24.00**
 % Leased: **80.8%**

30



15-63 Ranch Dr
Milpitas, CA 95035
Santa Clara County
Milpitas Submarket

Building Type: **Retail/Storefront**

Status: **Built 1994**

Building Size: **97,250 SF**

Land Area: **6.67 AC**

Stories: **1**

Expenses: **2011 Tax @ \$4.25/sf**

Space Avail: **46,000 SF**
 Max Contig: **25,000 SF**
 Smallest Space: **21,000 SF**
 Rent/SF/Yr: **Withheld**
 % Leased: **100%**

31



111-251 Ranch Dr
Milpitas, CA 95035
Santa Clara County
Hwy 880 & State Hwy 237
Milpitas Submarket

Building Type: **Retail/(Power Ctr)**

Status: **Built 1994**

Building Size: **141,870 SF**

Land Area: **15.25 AC**

Stories: **1**

Expenses: **2011 Tax @ \$2.99/sf; 2010 Est Ops @ \$2.18/sf**

Space Avail: **42,704 SF**
 Max Contig: **42,704 SF**
 Smallest Space: **42,704 SF**
 Rent/SF/Yr: **Withheld**
 % Leased: **69.9%**

32



120-158 Ranch Dr
Milpitas, CA 95035
Santa Clara County
Milpitas Submarket

Building Type: **Retail/Freestanding**
Status: **Built 1996**
Building Size: **75,803 SF**
Land Area: **8.47 AC**
Stories: **1**
Expenses: **2014 Tax @ \$2.17/sf; 2009 Ops @ \$1.88/sf**

Space Avail: **20,250 SF**
Max Contig: **20,250 SF**
Smallest Space: **20,250 SF**
Rent/SF/Yr: **Withheld**
% Leased: **73.3%**

33



198-252 Ranch Dr
Milpitas, CA 95035
Santa Clara County
Milpitas Submarket

Building Type: **Retail**
Status: **Built 1996**
Building Size: **23,658 SF**
Land Area: **0.23 AC**
Stories: **1**
Expenses: **2014 Tax @ \$0.43/sf**

Space Avail: **5,000 SF**
Max Contig: **5,000 SF**
Smallest Space: **5,000 SF**
Rent/SF/Yr: **Withheld**
% Leased: **78.9%**

34



41 Serra Way
Milpitas, CA 95035
Santa Clara County
Milpitas Submarket

Building Type: **Retail/Freestanding**
Status: **Built 1999**
Building Size: **6,712 SF**
Land Area: **0.65 AC**
Stories: **1**
Expenses: **2009 Tax @ \$1.79/sf**

Space Avail: **2,037 SF**
Max Contig: **2,037 SF**
Smallest Space: **2,037 SF**
Rent/SF/Yr: **\$28.20**
% Leased: **69.7%**

Availability and Vacancy Analysis

Grand Totals

| | Bldgs | Existing Rentable Bldg Area | Direct SF Vacant | Vacant Rate % | Direct w/ Sublet SF Vacant | Vacant % with Sublet | Total SF Available | Direct SF Available | Sublet SF Available | Max SF Contig | Avg Rate |
|--|-------|-----------------------------|------------------|---------------|----------------------------|----------------------|--------------------|---------------------|---------------------|---------------|-------------|
| | 34 | 927,435 | 240,724 | 26.0% | 243,664 | 26.3% | 317,315 | 314,375 | 2,940 | 73,709 | \$27.69/nnn |

Building Absorption Report

| Building | Quarter | Total Occupied SF | | Leasing Activity | | | Net Absorption | | | Gross Absorption | | | Average Rate | | | |
|---|---------|-------------------|--------|------------------|--------|-------|----------------|---------|---------|------------------|--------|-------|--------------|--------|-------|-------------|
| | | Direct | Sublet | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | |
| 55-79 S Abbott Ave Milpitas, CA 95035 9,364 SF RBA | Current | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$24.00/nnn |
| | 2014 4Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$24.00/nnn |
| | 2014 3Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$24.00/nnn |
| | 2014 2Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$24.00/nnn |
| | 2014 1Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$24.00/nnn |
| | 2013 4Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$24.00/nnn |
| | 2013 3Q | 2,200 | 0 | 0 | 0 | 2,200 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$24.00/nnn |
| | 2013 2Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$24.00/nnn |
| | 2013 1Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$24.00/nnn |
| | 2012 4Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$24.00/nnn |
| | 2012 3Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$24.00/nnn |
| | 2012 2Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$24.00/nnn |
| 301-315 S Abbott Ave Milpitas, CA 95035 11,965 SF RBA | Current | 1,069 | 0 | 0 | 0 | 1,069 | 1,069 | (2,400) | 0 | 1,069 | 0 | 1,069 | 0 | 0 | 0 | \$33.00/nnn |
| | 2014 4Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$33.00/nnn |
| | 2014 3Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$33.00/nnn |
| | 2014 2Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$33.00/nnn |
| | 2014 1Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$33.00/nnn |
| | 2013 4Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$33.00/nnn |
| | 2013 3Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$33.00/nnn |
| | 2013 2Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$33.00/nnn |
| | 2013 1Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$33.00/nnn |
| | 2012 4Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$27.00/nnn |
| | 2012 3Q | 1,069 | 0 | 0 | 0 | 1,069 | 1,069 | (2,400) | 0 | 1,069 | 0 | 1,069 | 0 | 0 | 0 | \$25.66/nnn |
| | 2012 2Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (2,400) | 0 | 0 | 0 | 0 | 0 | 0 | \$24.00/nnn |
| 200 N Abel St Milpitas, CA 95035 3,660 SF RBA | Current | 0 | 0 | 0 | 0 | 0 | 0 | (1,330) | 0 | (1,330) | 0 | 0 | 0 | 0 | 0 | \$28.50/nnn |
| | 2014 4Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2014 3Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2014 2Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2014 1Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2013 4Q | 1,330 | 0 | 0 | 0 | 1,330 | 1,330 | 0 | 1,330 | 0 | 1,330 | 0 | 0 | 0 | 0 | - |
| | 2013 3Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2013 2Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2013 1Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2012 4Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2012 3Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2012 2Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |

Building Absorption Report

| Building | Quarter | Total Occupied SF | Leasing Activity | | | Net Absorption | | | Gross Absorption | | | Average Rate | | |
|---|---------|-------------------|------------------|--------|-------|----------------|--------|---------|------------------|--------|-------|--------------|--------|-------------|
| | | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| 122-148 Calaveras Blvd Milpitas, CA 95035 10,000 SF RBA | Current | 10,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$19.80/nnn | - | \$19.80/nnn |
| | 2014 4Q | 10,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$19.80/nnn | - | \$19.80/nnn |
| | 2014 3Q | 10,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$19.80/nnn | - | \$19.80/nnn |
| | 2014 2Q | 10,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2014 1Q | 10,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2013 4Q | 10,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2013 3Q | 10,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2013 2Q | 10,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2013 1Q | 10,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2012 4Q | 10,000 | 2,900 | 0 | 2,900 | 2,900 | 0 | 2,900 | 2,900 | 0 | 2,900 | - | - | - |
| | 2012 3Q | 7,100 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2012 2Q | 7,100 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| 595-649 E Calaveras Ave Milpitas, CA 95035 48,109 SF RBA | Current | 40,416 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 4Q | 40,416 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 3Q | 40,416 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 2Q | 40,416 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 1Q | 40,416 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$31.50/nnn | - | \$31.50/nnn |
| | 2013 4Q | 40,416 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$31.50/nnn | - | \$31.50/nnn |
| | 2013 3Q | 40,416 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$30.72/nnn | - | \$30.72/nnn |
| | 2013 2Q | 40,416 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$30.72/nnn | - | \$30.72/nnn |
| | 2013 1Q | 40,416 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$30.72/nnn | - | \$30.72/nnn |
| | 2012 4Q | 40,416 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$30.72/nnn | - | \$30.72/nnn |
| | 2012 3Q | 40,416 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$30.72/nnn | - | \$30.72/nnn |
| | 2012 2Q | 40,416 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$30.72/nnn | - | \$30.72/nnn |
| 521-581 E Calaveras Blvd Milpitas, CA 95035 63,063 SF RBA | Current | 61,157 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 4Q | 61,157 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 3Q | 61,157 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 2Q | 61,157 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 1Q | 61,157 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$31.50/nnn | - | \$31.50/nnn |
| | 2013 4Q | 61,157 | 0 | 0 | 0 | (826) | 0 | (826) | 0 | 0 | 0 | \$31.50/nnn | - | \$31.50/nnn |
| | 2013 3Q | 61,983 | 3,344 | 0 | 3,344 | 3,390 | 0 | 3,390 | 3,390 | 0 | 3,390 | \$36.00/nnn | - | \$36.00/nnn |
| | 2013 2Q | 58,593 | 0 | 0 | 0 | (1,080) | 0 | (1,080) | 0 | 0 | 0 | \$36.00/nnn | - | \$36.00/nnn |
| | 2013 1Q | 59,673 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$36.00/nnn | - | \$36.00/nnn |
| | 2012 4Q | 59,673 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$36.00/nnn | - | \$36.00/nnn |
| | 2012 3Q | 59,673 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$36.00/nnn | - | \$36.00/nnn |
| | 2012 2Q | 59,673 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$36.00/nnn | - | \$36.00/nnn |

Building Absorption Report

| Building | Quarter | Total Occupied SF | Leasing Activity | | | Net Absorption | | | Gross Absorption | | | Average Rate | | |
|--|---------|-------------------|------------------|--------|-------|----------------|--------|---------|------------------|--------|-------|--------------|--------|-------------|
| | | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| 749 E Calaveras Blvd Milpitas, CA 95035 75,060 SF RBA | Current | 1,351 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 4Q | 1,351 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 3Q | 1,351 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 2Q | 1,351 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 1Q | 1,351 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2013 4Q | 1,351 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2013 3Q | 1,351 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2013 2Q | 1,351 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2013 1Q | 1,351 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2012 4Q | 1,351 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2012 3Q | 1,351 | 0 | 0 | 0 | 1,351 | 0 | 1,351 | 1,351 | 0 | 1,351 | - | - | - |
| | 2012 2Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| 750-752 E Calaveras Blvd Milpitas, CA 95035 25,000 SF RBA | Current | 20,800 | 0 | 0 | 0 | (2,400) | 0 | (2,400) | 0 | 0 | 0 | \$34.29/nnn | - | \$34.29/nnn |
| | 2014 4Q | 23,200 | 600 | 0 | 600 | 2,035 | 0 | 2,035 | 2,035 | 0 | 2,035 | \$36.00/nnn | - | \$36.00/nnn |
| | 2014 3Q | 21,165 | 2,635 | 0 | 2,635 | (1,200) | 0 | (1,200) | 1,200 | 0 | 1,200 | \$36.00/nnn | - | \$36.00/nnn |
| | 2014 2Q | 22,365 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$39.00/nnn | - | \$39.00/nnn |
| | 2014 1Q | 22,365 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$39.00/nnn | - | \$39.00/nnn |
| | 2013 4Q | 22,365 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$39.00/nnn | - | \$39.00/nnn |
| | 2013 3Q | 22,365 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$39.00/nnn | - | \$39.00/nnn |
| | 2013 2Q | 22,365 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$33.00/nnn | - | \$33.00/nnn |
| | 2013 1Q | 22,365 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$33.00/nnn | - | \$33.00/nnn |
| | 2012 4Q | 22,365 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$33.00/nnn | - | \$33.00/nnn |
| | 2012 3Q | 22,365 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$33.00/nnn | - | \$33.00/nnn |
| | 2012 2Q | 22,365 | 3,600 | 0 | 3,600 | 3,600 | 0 | 3,600 | 3,600 | 0 | 3,600 | \$25.63/nnn | - | \$25.63/nnn |
| 757-767 E Calaveras Blvd Big 5 Milpitas, CA 95035 14,045 SF RBA | Current | 10,195 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 4Q | 10,195 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 3Q | 10,195 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 2Q | 10,195 | 0 | 0 | 0 | 112 | 0 | 112 | 112 | 0 | 112 | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 1Q | 10,083 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$31.50/nnn | - | \$31.50/nnn |
| | 2013 4Q | 10,083 | 0 | 0 | 0 | (1,981) | 0 | (1,981) | 0 | 0 | 0 | \$31.50/nnn | - | \$31.50/nnn |
| | 2013 3Q | 12,064 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$31.50/nnn | - | \$31.50/nnn |
| | 2013 2Q | 12,064 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$31.50/nnn | - | \$31.50/nnn |
| | 2013 1Q | 12,064 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$31.50/nnn | - | \$31.50/nnn |
| | 2012 4Q | 12,064 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$31.50/nnn | - | \$31.50/nnn |
| | 2012 3Q | 12,064 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$31.50/nnn | - | \$31.50/nnn |
| | 2012 2Q | 12,064 | 0 | 0 | 0 | (1,981) | 0 | (1,981) | 0 | 0 | 0 | \$31.50/nnn | - | \$31.50/nnn |

Building Absorption Report

| Building | Quarter | Total Occupied SF | Leasing Activity | | | Net Absorption | | | Gross Absorption | | | Average Rate | | |
|---|---------|-------------------|------------------|--------|-------|----------------|--------|---------|------------------|--------|-------------|--------------|-------------|-------------|
| | | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| 1301 E Calaveras Blvd Victorian Square Milpitas, CA 95035 7,737 SF RBA | Current | 4,259 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$30.00/nnn | - | \$30.00/nnn |
| | 2014 4Q | 4,259 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$30.00/nnn | - | \$30.00/nnn |
| | 2014 3Q | 4,259 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$30.00/nnn | - | \$30.00/nnn |
| | 2014 2Q | 4,259 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$30.00/nnn | - | \$30.00/nnn |
| | 2014 1Q | 4,259 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$30.00/nnn | - | \$30.00/nnn |
| | 2013 4Q | 4,259 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$30.00/nnn | - | \$30.00/nnn |
| | 2013 3Q | 4,259 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$30.00/nnn | - | \$30.00/nnn |
| | 2013 2Q | 4,259 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$30.00/nnn | - | \$30.00/nnn |
| | 2013 1Q | 4,259 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$30.00/nnn | - | \$30.00/nnn |
| | 2012 4Q | 4,259 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$30.00/nnn | - | \$30.00/nnn |
| | 2012 3Q | 4,259 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$30.00/nnn | - | \$30.00/nnn |
| | 2012 2Q | 4,259 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$30.00/nnn | - | \$30.00/nnn |
| 774-880 E Capitol Ave Bldg B Milpitas, CA 95035 10,490 SF RBA | Current | 3,905 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$25.20/nnn | - | \$25.20/nnn |
| | 2014 4Q | 3,905 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$25.20/nnn | - | \$25.20/nnn |
| | 2014 3Q | 3,905 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$25.20/nnn | - | \$25.20/nnn |
| | 2014 2Q | 3,905 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$25.20/nnn | - | \$25.20/nnn |
| | 2014 1Q | 3,905 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$25.20/nnn | - | \$25.20/nnn |
| | 2013 4Q | 3,905 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$25.20/nnn | - | \$25.20/nnn |
| | 2013 3Q | 3,905 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$25.20/nnn | - | \$25.20/nnn |
| | 2013 2Q | 3,905 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$25.20/nnn | - | \$25.20/nnn |
| | 2013 1Q | 3,905 | 0 | 0 | 0 | (5,785) | 0 | (5,785) | 0 | 0 | 0 | \$25.20/nnn | - | \$25.20/nnn |
| | 2012 4Q | 9,690 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| 2012 3Q | 9,690 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - | |
| 2012 2Q | 9,690 | 0 | 0 | 0 | 300 | 0 | 300 | 300 | 0 | 300 | \$39.00/nnn | - | \$39.00/nnn | |
| 888 E Capitol Ave Bldg A Milpitas, CA 95035 2,035 SF RBA | Current | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2014 4Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2014 3Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2014 2Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2014 1Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2013 4Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2013 3Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2013 2Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2013 1Q | 0 | 0 | 0 | 0 | (2,035) | 0 | (2,035) | 0 | 0 | 0 | - | - | - |
| | 2012 4Q | 2,035 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| 2012 3Q | 2,035 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - | |
| 2012 2Q | 2,035 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - | |

Building Absorption Report

| Building | Quarter | Total Occupied SF | Leasing Activity | | | Net Absorption | | | Gross Absorption | | | Average Rate | | |
|---|--|-------------------|------------------|--------|-------|----------------|---------|---------|------------------|--------|-------|--------------|-------------|-------------|
| | | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| 49-91 Dempsey Rd <i>Calaveras Dempsey Retail</i> <i>Milpitas, CA 95035</i> <i>11,027 SF RBA</i> | Current | 8,917 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2014 4Q | 8,917 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$19.94/nnn | - | \$19.94/nnn |
| | 2014 3Q | 8,917 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$19.94/nnn | - | \$19.94/nnn |
| | 2014 2Q | 8,917 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$19.94/nnn | - | \$19.94/nnn |
| | 2014 1Q | 8,917 | 1,803 | 0 | 1,803 | 1,803 | 0 | 1,803 | 1,803 | 0 | 1,803 | \$19.94/nnn | - | \$19.94/nnn |
| | 2013 4Q | 7,114 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$19.94/nnn | - | \$19.94/nnn |
| | 2013 3Q | 7,114 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$19.94/nnn | - | \$19.94/nnn |
| | 2013 2Q | 7,114 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$19.94/nnn | - | \$19.94/nnn |
| | 2013 1Q | 7,114 | 1,185 | 0 | 1,185 | 1,185 | 0 | 1,185 | 1,185 | 0 | 1,185 | \$21.16/nnn | - | \$21.16/nnn |
| | 2012 4Q | 5,929 | 693 | 0 | 693 | 2,809 | 0 | 2,809 | 2,809 | 0 | 2,809 | \$21.28/nnn | - | \$21.28/nnn |
| | 2012 3Q | 3,120 | 2,116 | 0 | 2,116 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.43/nnn | - | \$21.43/nnn |
| | 2012 2Q | 3,120 | 0 | 0 | 0 | (1,751) | 0 | (1,751) | 0 | 0 | 0 | \$21.43/nnn | - | \$21.43/nnn |
| | 1400-1426 Dempsey Rd <i>Milpitas, CA 95035</i> <i>16,228 SF RBA</i> | Current | 15,188 | 0 | 0 | 0 | (1,040) | 0 | (1,040) | 0 | 0 | 0 | \$23.04/nnn | - |
| 2014 4Q | | 16,228 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$22.80/nnn | - | \$22.80/nnn |
| 2014 3Q | | 16,228 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$22.80/nnn | - | \$22.80/nnn |
| 2014 2Q | | 16,228 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$22.80/nnn | - | \$22.80/nnn |
| 2014 1Q | | 16,228 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$22.80/nnn | - | \$22.80/nnn |
| 2013 4Q | | 16,228 | 1,725 | 0 | 1,725 | 0 | 0 | 0 | 0 | 0 | 0 | \$22.80/nnn | - | \$22.80/nnn |
| 2013 3Q | | 16,228 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$22.80/nnn | - | \$22.80/nnn |
| 2013 2Q | | 16,228 | 4,005 | 0 | 4,005 | 0 | 0 | 0 | 2,965 | 0 | 2,965 | - | - | - |
| 2013 1Q | | 16,228 | 1,725 | 0 | 1,725 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| 2012 4Q | | 16,228 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| 2012 3Q | | 16,228 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| 2012 2Q | 16,228 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - | |
| 127-141 E Dixon Rd <i>Milpitas, CA 95035</i> <i>5,652 SF RBA</i> | Current | 3,802 | 0 | 0 | 0 | (850) | 0 | (850) | 0 | 0 | 0 | \$23.39/nnn | - | \$23.39/nnn |
| | 2014 4Q | 4,652 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$24.00/nnn | - | \$24.00/nnn |
| | 2014 3Q | 4,652 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$19.20/nnn | - | \$19.20/nnn |
| | 2014 2Q | 4,652 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$19.20/nnn | - | \$19.20/nnn |
| | 2014 1Q | 4,652 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$19.20/nnn | - | \$19.20/nnn |
| | 2013 4Q | 4,652 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$19.20/nnn | - | \$19.20/nnn |
| | 2013 3Q | 4,652 | 0 | 0 | 0 | (1,000) | 0 | (1,000) | 0 | 0 | 0 | \$19.20/nnn | - | \$19.20/nnn |
| | 2013 2Q | 5,652 | 0 | 0 | 0 | 0 | 900 | 900 | 0 | 900 | 900 | \$17.04/nnn | - | \$17.04/nnn |
| | 2013 1Q | 4,752 | 0 | 0 | 0 | 0 | (900) | (900) | 0 | 0 | 0 | \$17.04/nnn | \$17.04/nnn | \$17.04/nnn |
| | 2012 4Q | 5,652 | 900 | 0 | 900 | 900 | 0 | 900 | 900 | 0 | 900 | \$17.04/nnn | - | \$17.04/nnn |
| | 2012 3Q | 4,752 | 0 | 0 | 0 | (900) | 0 | (900) | 0 | 0 | 0 | \$17.04/nnn | - | \$17.04/nnn |
| 2012 2Q | 5,652 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - | |

Building Absorption Report

| Building | Quarter | Total Occupied SF | Leasing Activity | | | Net Absorption | | | Gross Absorption | | | Average Rate | | |
|--|---------|-------------------|------------------|--------|-------|----------------|--------|---------|------------------|--------|-------|--------------|--------|-------------|
| | | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| 275-473 Jacklin Rd Foothill Square Shopping Center Milpitas, CA 95035 78,404 SF RBA | Current | 72,479 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$18.84/nnn | - | \$18.84/nnn |
| | 2014 4Q | 72,479 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$18.84/nnn | - | \$18.84/nnn |
| | 2014 3Q | 72,479 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$18.84/nnn | - | \$18.84/nnn |
| | 2014 2Q | 72,479 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$18.84/nnn | - | \$18.84/nnn |
| | 2014 1Q | 72,479 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$18.84/nnn | - | \$18.84/nnn |
| | 2013 4Q | 72,479 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$18.84/nnn | - | \$18.84/nnn |
| | 2013 3Q | 72,479 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$18.84/nnn | - | \$18.84/nnn |
| | 2013 2Q | 72,479 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$23.94/nnn | - | \$23.94/nnn |
| | 2013 1Q | 72,479 | 0 | 0 | 0 | (900) | 0 | (900) | 0 | 0 | 0 | \$23.94/nnn | - | \$23.94/nnn |
| | 2012 4Q | 73,379 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$23.39/nnn | - | \$23.39/nnn |
| | 2012 3Q | 73,379 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$23.39/nnn | - | \$23.39/nnn |
| | 2012 2Q | 73,379 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$23.39/nnn | - | \$23.39/nnn |
| 487-495 Jacklin Rd Milpitas, CA 95035 5,399 SF RBA | Current | 2,336 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/nnn | - | \$21.00/nnn |
| | 2014 4Q | 2,336 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/nnn | - | \$21.00/nnn |
| | 2014 3Q | 2,336 | 4,841 | 0 | 4,841 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/nnn | - | \$21.00/nnn |
| | 2014 2Q | 2,336 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/nnn | - | \$21.00/nnn |
| | 2014 1Q | 2,336 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/nnn | - | \$21.00/nnn |
| | 2013 4Q | 2,336 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/nnn | - | \$21.00/nnn |
| | 2013 3Q | 2,336 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/nnn | - | \$21.00/nnn |
| | 2013 2Q | 2,336 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/nnn | - | \$21.00/nnn |
| | 2013 1Q | 2,336 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/nnn | - | \$21.00/nnn |
| | 2012 4Q | 2,336 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/nnn | - | \$21.00/nnn |
| | 2012 3Q | 2,336 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/nnn | - | \$21.00/nnn |
| | 2012 2Q | 2,336 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/nnn | - | \$21.00/nnn |
| 1301-1369 Jacklin Rd Milpitas, CA 18,629 SF RBA | Current | 15,066 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$18.00/mg | - | \$18.00/mg |
| | 2014 4Q | 15,066 | 0 | 0 | 0 | (1,222) | 0 | (1,222) | 0 | 0 | 0 | \$18.00/mg | - | \$18.00/mg |
| | 2014 3Q | 16,288 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$18.00/mg | - | \$18.00/mg |
| | 2014 2Q | 16,288 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$18.00/mg | - | \$18.00/mg |
| | 2014 1Q | 16,288 | 0 | 0 | 0 | (1,500) | 0 | (1,500) | 0 | 0 | 0 | \$18.00/mg | - | \$18.00/mg |
| | 2013 4Q | 17,788 | 0 | 0 | 0 | 1,062 | 0 | 1,062 | 1,062 | 0 | 1,062 | \$18.00/mg | - | \$18.00/mg |
| | 2013 3Q | 16,726 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$18.00/mg | - | \$18.00/mg |
| | 2013 2Q | 16,726 | 0 | 0 | 0 | (841) | 0 | (841) | 0 | 0 | 0 | \$18.00/mg | - | \$18.00/mg |
| | 2013 1Q | 17,567 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$18.00/mg | - | \$18.00/mg |
| | 2012 4Q | 17,567 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$18.00/mg | - | \$18.00/mg |
| | 2012 3Q | 17,567 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$18.00/mg | - | \$18.00/mg |
| | 2012 2Q | 17,567 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$18.00/mg | - | \$18.00/mg |

Building Absorption Report

| Building | Quarter | Total Occupied SF | Leasing Activity | | | Net Absorption | | | Gross Absorption | | | Average Rate | | |
|---|---------|-------------------|------------------|--------|-------|----------------|--------|---------|------------------|--------|------------|--------------|------------|-------------|
| | | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| 372-396 S Main St Milpitas, CA 95035 7,500 SF RBA | Current | 6,079 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$26.20/nnn | - | \$26.20/nnn |
| | 2014 4Q | 6,079 | 0 | 0 | 0 | (621) | 0 | (621) | 0 | 0 | 0 | \$26.20/nnn | - | \$26.20/nnn |
| | 2014 3Q | 6,700 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$24.00/nnn | - | \$24.00/nnn |
| | 2014 2Q | 6,700 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$24.00/nnn | - | \$24.00/nnn |
| | 2014 1Q | 6,700 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$24.00/nnn | - | \$24.00/nnn |
| | 2013 4Q | 6,700 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$24.00/nnn | - | \$24.00/nnn |
| | 2013 3Q | 6,700 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$24.00/nnn | - | \$24.00/nnn |
| | 2013 2Q | 6,700 | 0 | 0 | 0 | (800) | 0 | (800) | 0 | 0 | 0 | \$24.00/nnn | - | \$24.00/nnn |
| | 2013 1Q | 7,500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2012 4Q | 7,500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2012 3Q | 7,500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2012 2Q | 7,500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| 621-643 S Main St Villa Milpitas Center Milpitas, CA 95035 10,749 SF RBA | Current | 10,749 | 0 | 0 | 0 | 1,100 | 0 | 1,100 | 1,100 | 0 | 1,100 | \$21.60/mg | - | \$21.60/mg |
| | 2014 4Q | 9,649 | 1,100 | 0 | 1,100 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.90/fs | - | \$21.90/fs |
| | 2014 3Q | 9,649 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.90/fs | - | \$21.90/fs |
| | 2014 2Q | 9,649 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$40.20/fs | - | \$40.20/fs |
| | 2014 1Q | 9,649 | 0 | 0 | 0 | 2,300 | 0 | 2,300 | 2,300 | 0 | 2,300 | \$22.20/fs | - | \$22.20/fs |
| | 2013 4Q | 7,349 | 1,100 | 0 | 1,100 | (600) | 0 | (600) | 1,100 | 0 | 1,100 | \$22.20/fs | - | \$22.20/fs |
| | 2013 3Q | 7,949 | 0 | 0 | 0 | 250 | 0 | 250 | 250 | 0 | 250 | \$22.20/fs | - | \$22.20/fs |
| | 2013 2Q | 7,699 | 0 | 0 | 0 | (3,050) | 0 | (3,050) | 0 | 0 | 0 | \$22.20/fs | - | \$22.20/fs |
| | 2013 1Q | 10,749 | 1,460 | 0 | 1,460 | 0 | 0 | 0 | 1,460 | 0 | 1,460 | \$21.00/mg | - | \$21.00/mg |
| | 2012 4Q | 10,749 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/mg | - | \$21.00/mg |
| 2012 3Q | 10,749 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/mg | - | \$21.00/mg | |
| 2012 2Q | 10,749 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - | |
| McCandless Dr @ Great Mall Pkway The District at Milpitas Milpitas, CA 95035 500,000 SF RBA | Current | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| 1774-1838 Milmont Dr Milpitas, CA 95035 19,375 SF RBA | Current | 18,688 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$22.80/nnn | - | \$22.80/nnn |
| | 2014 4Q | 18,688 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$22.80/nnn | - | \$22.80/nnn |
| | 2014 3Q | 18,688 | 0 | 0 | 0 | 366 | 0 | 366 | 1,053 | 0 | 1,053 | \$22.80/nnn | - | \$22.80/nnn |
| | 2014 2Q | 18,322 | 2,213 | 0 | 2,213 | 1,160 | 0 | 1,160 | 1,160 | 0 | 1,160 | \$21.00/nnn | - | \$21.00/nnn |
| | 2014 1Q | 17,162 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/nnn | - | \$21.00/nnn |
| | 2013 4Q | 17,162 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/nnn | - | \$21.00/nnn |
| | 2013 3Q | 17,162 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$21.00/nnn | - | \$21.00/nnn |
| | 2013 2Q | 17,162 | 1,218 | 0 | 1,218 | 1,218 | 0 | 1,218 | 1,218 | 0 | 1,218 | \$21.00/nnn | - | \$21.00/nnn |
| | 2013 1Q | 15,944 | 3,431 | 0 | 3,431 | 0 | 0 | 0 | 3,431 | 0 | 3,431 | \$20.85/nnn | - | \$20.85/nnn |
| | 2012 4Q | 15,944 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$20.70/nnn | - | \$20.70/nnn |
| | 2012 3Q | 15,944 | 687 | 0 | 687 | (531) | 0 | (531) | 687 | 0 | 687 | \$21.35/nnn | - | \$21.35/nnn |
| | 2012 2Q | 16,475 | 987 | 0 | 987 | 993 | 0 | 993 | 993 | 0 | 993 | \$24.60/nnn | - | \$24.60/nnn |

Building Absorption Report

| Building | Quarter | Total Occupied SF | Leasing Activity | | | Net Absorption | | | Gross Absorption | | | Average Rate | | |
|---|---------|-------------------|------------------|--------|-------|----------------|---------|---------|------------------|--------|-------|--------------|-------------|-------------|
| | | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| 15-85 N Milpitas Blvd City Square Milpitas, CA 95035 81,238 SF RBA | Current | 76,598 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$28.20/nnn | \$24.00/nnn | \$25.54/nnn |
| | 2014 4Q | 76,598 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$28.20/nnn | \$24.00/nnn | \$25.54/nnn |
| | 2014 3Q | 76,598 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$28.20/nnn | \$24.00/nnn | \$25.54/nnn |
| | 2014 2Q | 76,598 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$28.20/nnn | \$24.00/nnn | \$25.54/nnn |
| | 2014 1Q | 76,598 | 0 | 0 | 0 | (1,700) | 0 | (1,700) | 0 | 0 | 0 | \$28.20/nnn | \$24.00/nnn | \$25.54/nnn |
| | 2013 4Q | 78,298 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$27.00/nnn | \$24.00/nnn | \$24.97/nnn |
| | 2013 3Q | 78,298 | 1,200 | 0 | 1,200 | 0 | 0 | 0 | 1,200 | 0 | 1,200 | \$27.00/nnn | \$24.00/nnn | \$24.97/nnn |
| | 2013 2Q | 78,298 | 0 | 0 | 0 | 1,400 | 0 | 1,400 | 1,400 | 0 | 1,400 | \$27.00/nnn | \$24.00/nnn | \$24.97/nnn |
| | 2013 1Q | 76,898 | 1,400 | 0 | 1,400 | 0 | (2,940) | (2,940) | 0 | 0 | 0 | \$27.00/nnn | \$24.00/nnn | \$24.97/nnn |
| | 2012 4Q | 79,838 | 0 | 0 | 0 | 3,600 | 0 | 3,600 | 5,000 | 0 | 5,000 | \$27.00/nnn | - | \$27.00/nnn |
| | 2012 3Q | 76,238 | 5,000 | 0 | 5,000 | 0 | 0 | 0 | 0 | 0 | 0 | \$27.00/nnn | - | \$27.00/nnn |
| | 2012 2Q | 76,238 | 5,000 | 0 | 5,000 | 0 | 0 | 0 | 0 | 0 | 0 | \$27.00/nnn | - | \$27.00/nnn |
| 136-148 N Milpitas Blvd Milpitas, CA 95035 8,417 SF RBA | Current | 7,117 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 4Q | 7,117 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 3Q | 7,117 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 2Q | 7,117 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 1Q | 7,117 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$31.50/nnn | - | \$31.50/nnn |
| | 2013 4Q | 7,117 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$31.50/nnn | - | \$31.50/nnn |
| | 2013 3Q | 7,117 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$31.50/nnn | - | \$31.50/nnn |
| | 2013 2Q | 7,117 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$31.50/nnn | - | \$31.50/nnn |
| | 2013 1Q | 7,117 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$31.50/nnn | - | \$31.50/nnn |
| | 2012 4Q | 7,117 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$31.50/nnn | - | \$31.50/nnn |
| | 2012 3Q | 7,117 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$31.50/nnn | - | \$31.50/nnn |
| | 2012 2Q | 7,117 | 0 | 0 | 0 | (1,300) | 0 | (1,300) | 0 | 0 | 0 | \$31.50/nnn | - | \$31.50/nnn |
| 985 Montague Expy Milpitas, CA 95035 9,760 SF RBA | Current | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2014 4Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2014 3Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2014 2Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2014 1Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2013 4Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2013 3Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2013 2Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2013 1Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2012 4Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2012 3Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2012 2Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |

Building Absorption Report

| Building | Quarter | Total Occupied SF | | | Leasing Activity | | | Net Absorption | | | Gross Absorption | | | Average Rate | | |
|--|---------|-------------------|--------|-------|------------------|--------|-------|----------------|---------|-------|------------------|--------|-------|--------------|--------|-------------|
| | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| 102-118 S Park Victoria Dr Milpitas, CA 95035 6,646 SF RBA | Current | 5,371 | 0 | 0 | 0 | 0 | 0 | 0 | (1,275) | 0 | 0 | 0 | 0 | 0 | 0 | \$24.00/nnn |
| | 2014 4Q | 6,646 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2014 3Q | 6,646 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2014 2Q | 6,646 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2014 1Q | 6,646 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2013 4Q | 6,646 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2013 3Q | 6,646 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2013 2Q | 6,646 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2013 1Q | 6,646 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2012 4Q | 6,646 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| 15-63 Ranch Dr Milpitas, CA 95035 97,250 SF RBA | Current | 97,250 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2014 4Q | 97,250 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2014 3Q | 97,250 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2014 2Q | 97,250 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2014 1Q | 97,250 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2013 4Q | 97,250 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2013 3Q | 97,250 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2013 2Q | 97,250 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2013 1Q | 51,250 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2012 4Q | 51,250 | 43,485 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| 111-251 Ranch Dr Milpitas, CA 95035 141,870 SF RBA | Current | 75,416 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2014 4Q | 75,416 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2014 3Q | 75,416 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2014 2Q | 75,416 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2014 1Q | 75,416 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2013 4Q | 75,416 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2013 3Q | 75,416 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2013 2Q | 75,416 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2013 1Q | 75,416 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | 2012 4Q | 75,416 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |

Building Absorption Report

| Building | Quarter | Total Occupied SF | Leasing Activity | | | Net Absorption | | | Gross Absorption | | | Average Rate | | |
|---|---------|-------------------|------------------|--------|--------|----------------|--------|---------|------------------|--------|--------|--------------|--------|-------------|
| | | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| 120-158 Ranch Dr Milpitas, CA 95035 75,803 SF RBA | Current | 55,553 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2014 4Q | 55,553 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2014 3Q | 55,553 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2014 2Q | 55,553 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2014 1Q | 55,553 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2013 4Q | 55,553 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2013 3Q | 55,553 | 0 | 0 | 0 | 43,485 | 0 | 43,485 | 43,485 | 0 | 43,485 | - | - | - |
| | 2013 2Q | 12,068 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2013 1Q | 12,068 | 43,485 | 0 | 43,485 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2012 4Q | 12,068 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2012 3Q | 12,068 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2012 2Q | 12,068 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| 198-252 Ranch Dr Milpitas, CA 95035 23,658 SF RBA | Current | 18,658 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2014 4Q | 18,658 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2014 3Q | 18,658 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2014 2Q | 18,658 | 0 | 0 | 0 | (5,000) | 0 | (5,000) | 0 | 0 | 0 | - | - | - |
| | 2014 1Q | 23,658 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2013 4Q | 23,658 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2013 3Q | 23,658 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$30.00/nnn | - | \$30.00/nnn |
| | 2013 2Q | 23,658 | 1,920 | 0 | 1,920 | 1,920 | 0 | 1,920 | 1,920 | 0 | 1,920 | \$30.00/nnn | - | \$30.00/nnn |
| | 2013 1Q | 21,738 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$30.00/nnn | - | \$30.00/nnn |
| | 2012 4Q | 21,738 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$30.00/nnn | - | \$30.00/nnn |
| | 2012 3Q | 21,738 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$30.00/nnn | - | \$30.00/nnn |
| | 2012 2Q | 21,738 | 0 | 0 | 0 | (1,920) | 0 | (1,920) | 0 | 0 | 0 | \$30.00/nnn | - | \$30.00/nnn |
| 41 Serra Way Milpitas, CA 95035 6,712 SF RBA | Current | 4,675 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$28.20/nnn | - | \$28.20/nnn |
| | 2014 4Q | 4,675 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$28.20/nnn | - | \$28.20/nnn |
| | 2014 3Q | 4,675 | 0 | 0 | 0 | (2,037) | 0 | (2,037) | 0 | 0 | 0 | \$28.20/nnn | - | \$28.20/nnn |
| | 2014 2Q | 6,712 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2014 1Q | 6,712 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2013 4Q | 6,712 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2013 3Q | 6,712 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2013 2Q | 6,712 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2013 1Q | 6,712 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2012 4Q | 6,712 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2012 3Q | 6,712 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| | 2012 2Q | 6,712 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - |

Building Absorption Report

Grand Totals:

| Quarter | Existing Inventory | | Delivered Inventory | | Tot. Occupied SF | Leasing Activity | | | Net Absorption | | | Gross Absorption | | | Average Rate | | |
|---------|--------------------|---------|---------------------|-----|------------------|------------------|--------|---------|----------------|---------|----------|------------------|--------|--------|--------------|-------------|-------------|
| | # of Bldgs | REA | # of Bldgs | REA | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| Current | 33 | 927,435 | 0 | 0 | 683,771 | 0 | 0 | (7,995) | 0 | 0 | (7,995) | 1,100 | 0 | 1,100 | \$27.75/mnn | \$24.00/mnn | \$27.69/mnn |
| 2014 4Q | 33 | 927,435 | 0 | 0 | 691,766 | 1,700 | 0 | 1,700 | 492 | 0 | 492 | 2,335 | 0 | 2,335 | \$27.42/mnn | \$24.00/mnn | \$27.36/mnn |
| 2014 3Q | 33 | 927,435 | 0 | 0 | 691,274 | 7,476 | 0 | 7,476 | (2,871) | 0 | (2,871) | 2,253 | 0 | 2,253 | \$27.46/mnn | \$24.00/mnn | \$27.40/mnn |
| 2014 2Q | 33 | 927,435 | 0 | 0 | 694,145 | 2,213 | 0 | 2,213 | (3,728) | 0 | (3,728) | 1,272 | 0 | 1,272 | \$27.34/mnn | \$24.00/mnn | \$27.28/mnn |
| 2014 1Q | 33 | 927,435 | 0 | 0 | 697,873 | 1,803 | 0 | 1,803 | 2,233 | 0 | 2,233 | 5,433 | 0 | 5,433 | \$24.00/mnn | \$24.00/mnn | \$24.00/mnn |
| 2013 4Q | 33 | 927,435 | 0 | 0 | 695,640 | 4,155 | 0 | 4,155 | (3,845) | 0 | (3,845) | 2,162 | 0 | 2,162 | \$23.35/mnn | \$24.00/mnn | \$23.38/mnn |
| 2013 3Q | 33 | 927,435 | 0 | 0 | 699,485 | 6,744 | 0 | 6,744 | 65,925 | 0 | 65,925 | 69,360 | 0 | 69,360 | \$23.44/mnn | \$24.00/mnn | \$23.46/mnn |
| 2013 2Q | 33 | 927,435 | 0 | 0 | 633,560 | 53,143 | 0 | 53,143 | 23,767 | 900 | 24,667 | 32,503 | 900 | 33,403 | \$27.26/mnn | \$24.00/mnn | \$27.08/mnn |
| 2013 1Q | 33 | 927,435 | 0 | 0 | 608,893 | 54,837 | 0 | 54,837 | (9,007) | (3,840) | (12,847) | 7,276 | 0 | 7,276 | \$27.02/mnn | \$22.37/mnn | \$26.72/mnn |
| 2012 4Q | 33 | 927,435 | 0 | 0 | 621,740 | 47,978 | 0 | 47,978 | 10,209 | 0 | 10,209 | 11,609 | 0 | 11,609 | \$24.03/mnn | - | \$24.03/mnn |
| 2012 3Q | 33 | 927,435 | 0 | 0 | 611,531 | 9,872 | 0 | 9,872 | 1,989 | 0 | 1,989 | 4,107 | 0 | 4,107 | \$23.96/mnn | - | \$23.96/mnn |
| 2012 2Q | 33 | 927,435 | 0 | 0 | 609,542 | 9,587 | 0 | 9,587 | (1,039) | 0 | (1,039) | 8,313 | 0 | 8,313 | \$24.05/mnn | - | \$24.05/mnn |

Building Historical Vacancy Report

| Building | Period | SF Vacant | | | % Vacant | | | SF Vacant Available | | | % Vacant Available | | | Average Rate | | |
|---|---------|-----------|--------|-------|----------|--------|-------|---------------------|--------|-------|--------------------|--------|-------|--------------|--------|-------------|
| | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| 55-79 S Abbott Ave Milpitas, CA 95035 9,364 SF RBA | Current | 1,100 | 0 | 1,100 | 11.7% | 0.0% | 11.7% | 1,100 | 0 | 1,100 | 11.7% | 0.0% | 11.7% | \$24.00/nnn | - | \$24.00/nnn |
| | 2014 4Q | 1,100 | 0 | 1,100 | 11.7% | 0.0% | 11.7% | 1,100 | 0 | 1,100 | 11.7% | 0.0% | 11.7% | \$24.00/nnn | - | \$24.00/nnn |
| | 2014 3Q | 1,100 | 0 | 1,100 | 11.7% | 0.0% | 11.7% | 1,100 | 0 | 1,100 | 11.7% | 0.0% | 11.7% | \$24.00/nnn | - | \$24.00/nnn |
| | 2014 2Q | 1,100 | 0 | 1,100 | 11.7% | 0.0% | 11.7% | 1,100 | 0 | 1,100 | 11.7% | 0.0% | 11.7% | \$24.00/nnn | - | \$24.00/nnn |
| | 2014 1Q | 1,100 | 0 | 1,100 | 11.7% | 0.0% | 11.7% | 1,100 | 0 | 1,100 | 11.7% | 0.0% | 11.7% | \$24.00/nnn | - | \$24.00/nnn |
| | 2013 4Q | 1,100 | 0 | 1,100 | 11.7% | 0.0% | 11.7% | 1,100 | 0 | 1,100 | 11.7% | 0.0% | 11.7% | \$24.00/nnn | - | \$24.00/nnn |
| | 2013 3Q | 1,100 | 0 | 1,100 | 11.7% | 0.0% | 11.7% | 1,100 | 0 | 1,100 | 11.7% | 0.0% | 11.7% | \$24.00/nnn | - | \$24.00/nnn |
| | 2013 2Q | 1,100 | 0 | 1,100 | 11.7% | 0.0% | 11.7% | 1,100 | 0 | 1,100 | 11.7% | 0.0% | 11.7% | \$24.00/nnn | - | \$24.00/nnn |
| | 2013 1Q | 1,100 | 0 | 1,100 | 11.7% | 0.0% | 11.7% | 1,100 | 0 | 1,100 | 11.7% | 0.0% | 11.7% | \$24.00/nnn | - | \$24.00/nnn |
| | 2012 4Q | 1,100 | 0 | 1,100 | 11.7% | 0.0% | 11.7% | 1,100 | 0 | 1,100 | 11.7% | 0.0% | 11.7% | \$24.00/nnn | - | \$24.00/nnn |
| | 2012 3Q | 1,100 | 0 | 1,100 | 11.7% | 0.0% | 11.7% | 1,100 | 0 | 1,100 | 11.7% | 0.0% | 11.7% | \$24.00/nnn | - | \$24.00/nnn |
| | 2012 2Q | 1,100 | 0 | 1,100 | 11.7% | 0.0% | 11.7% | 1,100 | 0 | 1,100 | 11.7% | 0.0% | 11.7% | \$24.00/nnn | - | \$24.00/nnn |
| 301-315 S Abbott Ave Milpitas, CA 95035 11,965 SF RBA | Current | 1,331 | 0 | 1,331 | 11.1% | 0.0% | 11.1% | 1,331 | 0 | 1,331 | 11.1% | 0.0% | 11.1% | \$33.00/nnn | - | \$33.00/nnn |
| | 2014 4Q | 1,331 | 0 | 1,331 | 11.1% | 0.0% | 11.1% | 1,331 | 0 | 1,331 | 11.1% | 0.0% | 11.1% | \$33.00/nnn | - | \$33.00/nnn |
| | 2014 3Q | 1,331 | 0 | 1,331 | 11.1% | 0.0% | 11.1% | 1,331 | 0 | 1,331 | 11.1% | 0.0% | 11.1% | \$33.00/nnn | - | \$33.00/nnn |
| | 2014 2Q | 1,331 | 0 | 1,331 | 11.1% | 0.0% | 11.1% | 1,331 | 0 | 1,331 | 11.1% | 0.0% | 11.1% | \$33.00/nnn | - | \$33.00/nnn |
| | 2014 1Q | 1,331 | 0 | 1,331 | 11.1% | 0.0% | 11.1% | 1,331 | 0 | 1,331 | 11.1% | 0.0% | 11.1% | \$33.00/nnn | - | \$33.00/nnn |
| | 2013 4Q | 1,331 | 0 | 1,331 | 11.1% | 0.0% | 11.1% | 1,331 | 0 | 1,331 | 11.1% | 0.0% | 11.1% | \$33.00/nnn | - | \$33.00/nnn |
| | 2013 3Q | 1,331 | 0 | 1,331 | 11.1% | 0.0% | 11.1% | 1,331 | 0 | 1,331 | 11.1% | 0.0% | 11.1% | \$33.00/nnn | - | \$33.00/nnn |
| | 2013 2Q | 1,331 | 0 | 1,331 | 11.1% | 0.0% | 11.1% | 1,331 | 0 | 1,331 | 11.1% | 0.0% | 11.1% | \$33.00/nnn | - | \$33.00/nnn |
| | 2013 1Q | 1,331 | 0 | 1,331 | 11.1% | 0.0% | 11.1% | 1,331 | 0 | 1,331 | 11.1% | 0.0% | 11.1% | \$33.00/nnn | - | \$33.00/nnn |
| | 2012 4Q | 1,331 | 0 | 1,331 | 11.1% | 0.0% | 11.1% | 1,331 | 0 | 1,331 | 11.1% | 0.0% | 11.1% | \$27.00/nnn | - | \$27.00/nnn |
| | 2012 3Q | 1,331 | 0 | 1,331 | 11.1% | 0.0% | 11.1% | 1,331 | 0 | 1,331 | 11.1% | 0.0% | 11.1% | \$25.66/nnn | - | \$25.66/nnn |
| | 2012 2Q | 2,400 | 0 | 2,400 | 20.1% | 0.0% | 20.1% | 2,400 | 0 | 2,400 | 20.1% | 0.0% | 20.1% | \$24.00/nnn | - | \$24.00/nnn |
| 200 N Abel St Milpitas, CA 95035 3,660 SF RBA | Current | 1,330 | 0 | 1,330 | 36.3% | 0.0% | 36.3% | 1,330 | 0 | 1,330 | 36.3% | 0.0% | 36.3% | \$28.50/nnn | - | \$28.50/nnn |
| | 2014 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2014 3Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2014 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2014 1Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2013 4Q | 1,330 | 0 | 1,330 | 36.3% | 0.0% | 36.3% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2013 3Q | 1,330 | 0 | 1,330 | 36.3% | 0.0% | 36.3% | 1,330 | 0 | 1,330 | 36.3% | 0.0% | 36.3% | - | - | - |
| | 2013 2Q | 1,330 | 0 | 1,330 | 36.3% | 0.0% | 36.3% | 1,330 | 0 | 1,330 | 36.3% | 0.0% | 36.3% | - | - | - |
| | 2013 1Q | 1,330 | 0 | 1,330 | 36.3% | 0.0% | 36.3% | 1,330 | 0 | 1,330 | 36.3% | 0.0% | 36.3% | - | - | - |
| | 2012 4Q | 1,330 | 0 | 1,330 | 36.3% | 0.0% | 36.3% | 1,330 | 0 | 1,330 | 36.3% | 0.0% | 36.3% | - | - | - |
| | 2012 3Q | 1,330 | 0 | 1,330 | 36.3% | 0.0% | 36.3% | 1,330 | 0 | 1,330 | 36.3% | 0.0% | 36.3% | - | - | - |
| | 2012 2Q | 1,330 | 0 | 1,330 | 36.3% | 0.0% | 36.3% | 1,330 | 0 | 1,330 | 36.3% | 0.0% | 36.3% | - | - | - |

Building Historical Vacancy Report

| Building | Period | SF Vacant | | | % Vacant | | | SF Vacant Available | | | % Vacant Available | | | Average Rate | | |
|---|---------|-----------|--------|-------|----------|--------|-------|---------------------|--------|-------|--------------------|--------|-------------|--------------|-------------|-------------|
| | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| 122-148 Calaveras Blvd Milpitas, CA 95035 10,000 SF RBA | Current | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$19.80/nnn | - | \$19.80/nnn |
| | 2014 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$19.80/nnn | - | \$19.80/nnn |
| | 2014 3Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$19.80/nnn | - | \$19.80/nnn |
| | 2014 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2014 1Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2013 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2013 3Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2013 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2013 1Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2012 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2012 3Q | 2,900 | 0 | 2,900 | 29.0% | 0.0% | 29.0% | 2,900 | 0 | 2,900 | 29.0% | 0.0% | 29.0% | - | - | - |
| 2012 2Q | 2,900 | 0 | 2,900 | 29.0% | 0.0% | 29.0% | 2,900 | 0 | 2,900 | 29.0% | 0.0% | 29.0% | - | - | - | |
| 595-649 E Calaveras Ave Milpitas, CA 95035 48,109 SF RBA | Current | 7,693 | 0 | 7,693 | 16.0% | 0.0% | 16.0% | 7,693 | 0 | 7,693 | 16.0% | 0.0% | 16.0% | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 4Q | 7,693 | 0 | 7,693 | 16.0% | 0.0% | 16.0% | 7,693 | 0 | 7,693 | 16.0% | 0.0% | 16.0% | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 3Q | 7,693 | 0 | 7,693 | 16.0% | 0.0% | 16.0% | 7,693 | 0 | 7,693 | 16.0% | 0.0% | 16.0% | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 2Q | 7,693 | 0 | 7,693 | 16.0% | 0.0% | 16.0% | 7,693 | 0 | 7,693 | 16.0% | 0.0% | 16.0% | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 1Q | 7,693 | 0 | 7,693 | 16.0% | 0.0% | 16.0% | 7,693 | 0 | 7,693 | 16.0% | 0.0% | 16.0% | \$31.50/nnn | - | \$31.50/nnn |
| | 2013 4Q | 7,693 | 0 | 7,693 | 16.0% | 0.0% | 16.0% | 7,693 | 0 | 7,693 | 16.0% | 0.0% | 16.0% | \$31.50/nnn | - | \$31.50/nnn |
| | 2013 3Q | 7,693 | 0 | 7,693 | 16.0% | 0.0% | 16.0% | 7,693 | 0 | 7,693 | 16.0% | 0.0% | 16.0% | \$30.72/nnn | - | \$30.72/nnn |
| | 2013 2Q | 7,693 | 0 | 7,693 | 16.0% | 0.0% | 16.0% | 7,693 | 0 | 7,693 | 16.0% | 0.0% | 16.0% | \$30.72/nnn | - | \$30.72/nnn |
| | 2013 1Q | 7,693 | 0 | 7,693 | 16.0% | 0.0% | 16.0% | 7,693 | 0 | 7,693 | 16.0% | 0.0% | 16.0% | \$30.72/nnn | - | \$30.72/nnn |
| | 2012 4Q | 7,693 | 0 | 7,693 | 16.0% | 0.0% | 16.0% | 7,693 | 0 | 7,693 | 16.0% | 0.0% | 16.0% | \$30.72/nnn | - | \$30.72/nnn |
| | 2012 3Q | 7,693 | 0 | 7,693 | 16.0% | 0.0% | 16.0% | 7,693 | 0 | 7,693 | 16.0% | 0.0% | 16.0% | \$30.72/nnn | - | \$30.72/nnn |
| 2012 2Q | 7,693 | 0 | 7,693 | 16.0% | 0.0% | 16.0% | 7,693 | 0 | 7,693 | 16.0% | 0.0% | 16.0% | \$30.72/nnn | - | \$30.72/nnn | |
| 521-581 E Calaveras Blvd Milpitas, CA 95035 63,063 SF RBA | Current | 1,906 | 0 | 1,906 | 3.0% | 0.0% | 3.0% | 1,906 | 0 | 1,906 | 3.0% | 0.0% | 3.0% | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 4Q | 1,906 | 0 | 1,906 | 3.0% | 0.0% | 3.0% | 1,906 | 0 | 1,906 | 3.0% | 0.0% | 3.0% | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 3Q | 1,906 | 0 | 1,906 | 3.0% | 0.0% | 3.0% | 1,906 | 0 | 1,906 | 3.0% | 0.0% | 3.0% | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 2Q | 1,906 | 0 | 1,906 | 3.0% | 0.0% | 3.0% | 1,906 | 0 | 1,906 | 3.0% | 0.0% | 3.0% | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 1Q | 1,906 | 0 | 1,906 | 3.0% | 0.0% | 3.0% | 1,906 | 0 | 1,906 | 3.0% | 0.0% | 3.0% | \$31.50/nnn | - | \$31.50/nnn |
| | 2013 4Q | 1,906 | 0 | 1,906 | 3.0% | 0.0% | 3.0% | 1,906 | 0 | 1,906 | 3.0% | 0.0% | 3.0% | \$31.50/nnn | - | \$31.50/nnn |
| | 2013 3Q | 1,080 | 0 | 1,080 | 1.7% | 0.0% | 1.7% | 1,080 | 0 | 1,080 | 1.7% | 0.0% | 1.7% | \$36.00/nnn | - | \$36.00/nnn |
| | 2013 2Q | 4,470 | 0 | 4,470 | 7.1% | 0.0% | 7.1% | 4,470 | 0 | 4,470 | 7.1% | 0.0% | 7.1% | \$36.00/nnn | - | \$36.00/nnn |
| | 2013 1Q | 3,390 | 0 | 3,390 | 5.4% | 0.0% | 5.4% | 3,390 | 0 | 3,390 | 5.4% | 0.0% | 5.4% | \$36.00/nnn | - | \$36.00/nnn |
| | 2012 4Q | 3,390 | 0 | 3,390 | 5.4% | 0.0% | 5.4% | 3,390 | 0 | 3,390 | 5.4% | 0.0% | 5.4% | \$36.00/nnn | - | \$36.00/nnn |
| | 2012 3Q | 3,390 | 0 | 3,390 | 5.4% | 0.0% | 5.4% | 3,390 | 0 | 3,390 | 5.4% | 0.0% | 5.4% | \$36.00/nnn | - | \$36.00/nnn |
| 2012 2Q | 3,390 | 0 | 3,390 | 5.4% | 0.0% | 5.4% | 3,390 | 0 | 3,390 | 5.4% | 0.0% | 5.4% | \$36.00/nnn | - | \$36.00/nnn | |

Building Historical Vacancy Report

| Building | Period | SF Vacant | | | % Vacant | | | SF Vacant Available | | | % Vacant Available | | | Average Rate | | |
|--|---------|-----------|--------|--------|----------|--------|--------|---------------------|--------|--------|--------------------|--------|-------------|--------------|-------------|-------------|
| | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| 749 E Calaveras Blvd Milpitas, CA 95035 75,060 SF RBA | Current | 73,709 | 0 | 73,709 | 98.2% | 0.0% | 98.2% | 73,709 | 0 | 73,709 | 98.2% | 0.0% | 98.2% | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 4Q | 73,709 | 0 | 73,709 | 98.2% | 0.0% | 98.2% | 73,709 | 0 | 73,709 | 98.2% | 0.0% | 98.2% | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 3Q | 73,709 | 0 | 73,709 | 98.2% | 0.0% | 98.2% | 73,709 | 0 | 73,709 | 98.2% | 0.0% | 98.2% | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 2Q | 73,709 | 0 | 73,709 | 98.2% | 0.0% | 98.2% | 73,709 | 0 | 73,709 | 98.2% | 0.0% | 98.2% | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 1Q | 73,709 | 0 | 73,709 | 98.2% | 0.0% | 98.2% | 73,709 | 0 | 73,709 | 98.2% | 0.0% | 98.2% | - | - | - |
| | 2013 4Q | 73,709 | 0 | 73,709 | 98.2% | 0.0% | 98.2% | 73,709 | 0 | 73,709 | 98.2% | 0.0% | 98.2% | - | - | - |
| | 2013 3Q | 73,709 | 0 | 73,709 | 98.2% | 0.0% | 98.2% | 73,709 | 0 | 73,709 | 98.2% | 0.0% | 98.2% | - | - | - |
| | 2013 2Q | 73,709 | 0 | 73,709 | 98.2% | 0.0% | 98.2% | 73,709 | 0 | 73,709 | 98.2% | 0.0% | 98.2% | - | - | - |
| | 2013 1Q | 73,709 | 0 | 73,709 | 98.2% | 0.0% | 98.2% | 73,709 | 0 | 73,709 | 98.2% | 0.0% | 98.2% | - | - | - |
| | 2012 4Q | 73,709 | 0 | 73,709 | 98.2% | 0.0% | 98.2% | 73,709 | 0 | 73,709 | 98.2% | 0.0% | 98.2% | - | - | - |
| | 2012 3Q | 73,709 | 0 | 73,709 | 98.2% | 0.0% | 98.2% | 73,709 | 0 | 73,709 | 98.2% | 0.0% | 98.2% | - | - | - |
| 2012 2Q | 75,060 | 0 | 75,060 | 100.0% | 0.0% | 100.0% | 75,060 | 0 | 75,060 | 100.0% | 0.0% | 100.0% | - | - | - | |
| 750-752 E Calaveras Blvd Milpitas, CA 95035 25,000 SF RBA | Current | 4,200 | 0 | 4,200 | 16.8% | 0.0% | 16.8% | 4,200 | 0 | 4,200 | 16.8% | 0.0% | 16.8% | \$34.29/nnn | - | \$34.29/nnn |
| | 2014 4Q | 1,800 | 0 | 1,800 | 7.2% | 0.0% | 7.2% | 1,800 | 0 | 1,800 | 7.2% | 0.0% | 7.2% | \$36.00/nnn | - | \$36.00/nnn |
| | 2014 3Q | 3,835 | 0 | 3,835 | 15.3% | 0.0% | 15.3% | 2,400 | 0 | 2,400 | 9.6% | 0.0% | 9.6% | \$36.00/nnn | - | \$36.00/nnn |
| | 2014 2Q | 2,635 | 0 | 2,635 | 10.5% | 0.0% | 10.5% | 2,635 | 0 | 2,635 | 10.5% | 0.0% | 10.5% | \$39.00/nnn | - | \$39.00/nnn |
| | 2014 1Q | 2,635 | 0 | 2,635 | 10.5% | 0.0% | 10.5% | 2,635 | 0 | 2,635 | 10.5% | 0.0% | 10.5% | \$39.00/nnn | - | \$39.00/nnn |
| | 2013 4Q | 2,635 | 0 | 2,635 | 10.5% | 0.0% | 10.5% | 2,635 | 0 | 2,635 | 10.5% | 0.0% | 10.5% | \$39.00/nnn | - | \$39.00/nnn |
| | 2013 3Q | 2,635 | 0 | 2,635 | 10.5% | 0.0% | 10.5% | 2,635 | 0 | 2,635 | 10.5% | 0.0% | 10.5% | \$39.00/nnn | - | \$39.00/nnn |
| | 2013 2Q | 2,635 | 0 | 2,635 | 10.5% | 0.0% | 10.5% | 2,635 | 0 | 2,635 | 10.5% | 0.0% | 10.5% | \$33.00/nnn | - | \$33.00/nnn |
| | 2013 1Q | 2,635 | 0 | 2,635 | 10.5% | 0.0% | 10.5% | 2,635 | 0 | 2,635 | 10.5% | 0.0% | 10.5% | \$33.00/nnn | - | \$33.00/nnn |
| | 2012 4Q | 2,635 | 0 | 2,635 | 10.5% | 0.0% | 10.5% | 2,635 | 0 | 2,635 | 10.5% | 0.0% | 10.5% | \$33.00/nnn | - | \$33.00/nnn |
| | 2012 3Q | 2,635 | 0 | 2,635 | 10.5% | 0.0% | 10.5% | 2,635 | 0 | 2,635 | 10.5% | 0.0% | 10.5% | \$33.00/nnn | - | \$33.00/nnn |
| 2012 2Q | 2,635 | 0 | 2,635 | 10.5% | 0.0% | 10.5% | 2,635 | 0 | 2,635 | 10.5% | 0.0% | 10.5% | \$25.63/nnn | - | \$25.63/nnn | |
| 757-767 E Calaveras Blvd Big 5 Milpitas, CA 95035 14,045 SF RBA | Current | 3,850 | 0 | 3,850 | 27.4% | 0.0% | 27.4% | 3,850 | 0 | 3,850 | 27.4% | 0.0% | 27.4% | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 4Q | 3,850 | 0 | 3,850 | 27.4% | 0.0% | 27.4% | 3,850 | 0 | 3,850 | 27.4% | 0.0% | 27.4% | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 3Q | 3,850 | 0 | 3,850 | 27.4% | 0.0% | 27.4% | 3,850 | 0 | 3,850 | 27.4% | 0.0% | 27.4% | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 2Q | 3,850 | 0 | 3,850 | 27.4% | 0.0% | 27.4% | 3,850 | 0 | 3,850 | 27.4% | 0.0% | 27.4% | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 1Q | 3,962 | 0 | 3,962 | 28.2% | 0.0% | 28.2% | 3,962 | 0 | 3,962 | 28.2% | 0.0% | 28.2% | \$31.50/nnn | - | \$31.50/nnn |
| | 2013 4Q | 3,962 | 0 | 3,962 | 28.2% | 0.0% | 28.2% | 3,962 | 0 | 3,962 | 28.2% | 0.0% | 28.2% | \$31.50/nnn | - | \$31.50/nnn |
| | 2013 3Q | 1,981 | 0 | 1,981 | 14.1% | 0.0% | 14.1% | 1,981 | 0 | 1,981 | 14.1% | 0.0% | 14.1% | \$31.50/nnn | - | \$31.50/nnn |
| | 2013 2Q | 1,981 | 0 | 1,981 | 14.1% | 0.0% | 14.1% | 1,981 | 0 | 1,981 | 14.1% | 0.0% | 14.1% | \$31.50/nnn | - | \$31.50/nnn |
| | 2013 1Q | 1,981 | 0 | 1,981 | 14.1% | 0.0% | 14.1% | 1,981 | 0 | 1,981 | 14.1% | 0.0% | 14.1% | \$31.50/nnn | - | \$31.50/nnn |
| | 2012 4Q | 1,981 | 0 | 1,981 | 14.1% | 0.0% | 14.1% | 1,981 | 0 | 1,981 | 14.1% | 0.0% | 14.1% | \$31.50/nnn | - | \$31.50/nnn |
| | 2012 3Q | 1,981 | 0 | 1,981 | 14.1% | 0.0% | 14.1% | 1,981 | 0 | 1,981 | 14.1% | 0.0% | 14.1% | \$31.50/nnn | - | \$31.50/nnn |
| 2012 2Q | 1,981 | 0 | 1,981 | 14.1% | 0.0% | 14.1% | 1,981 | 0 | 1,981 | 14.1% | 0.0% | 14.1% | \$31.50/nnn | - | \$31.50/nnn | |

Building Historical Vacancy Report

| Building | Period | SF Vacant | | | % Vacant | | | SF Vacant Available | | | % Vacant Available | | | Average Rate | | |
|---|---------|-----------|--------|-------|----------|--------|--------|---------------------|--------|-------|--------------------|--------|--------|--------------|--------|-------------|
| | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| 1301 E Calaveras Blvd <i>Victorian Square</i> <i>Milpitas, CA 95035</i> <i>7,737 SF RBA</i> | Current | 3,478 | 0 | 3,478 | 45.0% | 0.0% | 45.0% | 3,478 | 0 | 3,478 | 45.0% | 0.0% | 45.0% | \$30.00/nnn | - | \$30.00/nnn |
| | 2014 4Q | 3,478 | 0 | 3,478 | 45.0% | 0.0% | 45.0% | 3,478 | 0 | 3,478 | 45.0% | 0.0% | 45.0% | \$30.00/nnn | - | \$30.00/nnn |
| | 2014 3Q | 3,478 | 0 | 3,478 | 45.0% | 0.0% | 45.0% | 3,478 | 0 | 3,478 | 45.0% | 0.0% | 45.0% | \$30.00/nnn | - | \$30.00/nnn |
| | 2014 2Q | 3,478 | 0 | 3,478 | 45.0% | 0.0% | 45.0% | 3,478 | 0 | 3,478 | 45.0% | 0.0% | 45.0% | \$30.00/nnn | - | \$30.00/nnn |
| | 2014 1Q | 3,478 | 0 | 3,478 | 45.0% | 0.0% | 45.0% | 3,478 | 0 | 3,478 | 45.0% | 0.0% | 45.0% | \$30.00/nnn | - | \$30.00/nnn |
| | 2013 4Q | 3,478 | 0 | 3,478 | 45.0% | 0.0% | 45.0% | 3,478 | 0 | 3,478 | 45.0% | 0.0% | 45.0% | \$30.00/nnn | - | \$30.00/nnn |
| | 2013 3Q | 3,478 | 0 | 3,478 | 45.0% | 0.0% | 45.0% | 3,478 | 0 | 3,478 | 45.0% | 0.0% | 45.0% | \$30.00/nnn | - | \$30.00/nnn |
| | 2013 2Q | 3,478 | 0 | 3,478 | 45.0% | 0.0% | 45.0% | 3,478 | 0 | 3,478 | 45.0% | 0.0% | 45.0% | \$30.00/nnn | - | \$30.00/nnn |
| | 2013 1Q | 3,478 | 0 | 3,478 | 45.0% | 0.0% | 45.0% | 3,478 | 0 | 3,478 | 45.0% | 0.0% | 45.0% | \$30.00/nnn | - | \$30.00/nnn |
| | 2012 4Q | 3,478 | 0 | 3,478 | 45.0% | 0.0% | 45.0% | 3,478 | 0 | 3,478 | 45.0% | 0.0% | 45.0% | \$30.00/nnn | - | \$30.00/nnn |
| | 2012 3Q | 3,478 | 0 | 3,478 | 45.0% | 0.0% | 45.0% | 3,478 | 0 | 3,478 | 45.0% | 0.0% | 45.0% | \$30.00/nnn | - | \$30.00/nnn |
| | 2012 2Q | 3,478 | 0 | 3,478 | 45.0% | 0.0% | 45.0% | 3,478 | 0 | 3,478 | 45.0% | 0.0% | 45.0% | \$30.00/nnn | - | \$30.00/nnn |
| 774-880 E Capitol Ave <i>Bldg B</i> <i>Milpitas, CA 95035</i> <i>10,490 SF RBA</i> | Current | 6,585 | 0 | 6,585 | 62.8% | 0.0% | 62.8% | 6,585 | 0 | 6,585 | 62.8% | 0.0% | 62.8% | \$25.20/nnn | - | \$25.20/nnn |
| | 2014 4Q | 6,585 | 0 | 6,585 | 62.8% | 0.0% | 62.8% | 6,585 | 0 | 6,585 | 62.8% | 0.0% | 62.8% | \$25.20/nnn | - | \$25.20/nnn |
| | 2014 3Q | 6,585 | 0 | 6,585 | 62.8% | 0.0% | 62.8% | 6,585 | 0 | 6,585 | 62.8% | 0.0% | 62.8% | \$25.20/nnn | - | \$25.20/nnn |
| | 2014 2Q | 6,585 | 0 | 6,585 | 62.8% | 0.0% | 62.8% | 6,585 | 0 | 6,585 | 62.8% | 0.0% | 62.8% | \$25.20/nnn | - | \$25.20/nnn |
| | 2014 1Q | 6,585 | 0 | 6,585 | 62.8% | 0.0% | 62.8% | 6,585 | 0 | 6,585 | 62.8% | 0.0% | 62.8% | \$25.20/nnn | - | \$25.20/nnn |
| | 2013 4Q | 6,585 | 0 | 6,585 | 62.8% | 0.0% | 62.8% | 6,585 | 0 | 6,585 | 62.8% | 0.0% | 62.8% | \$25.20/nnn | - | \$25.20/nnn |
| | 2013 3Q | 6,585 | 0 | 6,585 | 62.8% | 0.0% | 62.8% | 6,585 | 0 | 6,585 | 62.8% | 0.0% | 62.8% | \$25.20/nnn | - | \$25.20/nnn |
| | 2013 2Q | 6,585 | 0 | 6,585 | 62.8% | 0.0% | 62.8% | 6,585 | 0 | 6,585 | 62.8% | 0.0% | 62.8% | \$25.20/nnn | - | \$25.20/nnn |
| | 2013 1Q | 6,585 | 0 | 6,585 | 62.8% | 0.0% | 62.8% | 6,585 | 0 | 6,585 | 62.8% | 0.0% | 62.8% | \$25.20/nnn | - | \$25.20/nnn |
| | 2012 4Q | 800 | 0 | 800 | 7.6% | 0.0% | 7.6% | 800 | 0 | 800 | 7.6% | 0.0% | 7.6% | - | - | - |
| | 2012 3Q | 800 | 0 | 800 | 7.6% | 0.0% | 7.6% | 800 | 0 | 800 | 7.6% | 0.0% | 7.6% | - | - | - |
| | 2012 2Q | 800 | 0 | 800 | 7.6% | 0.0% | 7.6% | 800 | 0 | 800 | 7.6% | 0.0% | 7.6% | \$39.00/nnn | - | \$39.00/nnn |
| 888 E Capitol Ave <i>Bldg A</i> <i>Milpitas, CA 95035</i> <i>2,035 SF RBA</i> | Current | 2,035 | 0 | 2,035 | 100.0% | 0.0% | 100.0% | 2,035 | 0 | 2,035 | 100.0% | 0.0% | 100.0% | - | - | - |
| | 2014 4Q | 2,035 | 0 | 2,035 | 100.0% | 0.0% | 100.0% | 2,035 | 0 | 2,035 | 100.0% | 0.0% | 100.0% | - | - | - |
| | 2014 3Q | 2,035 | 0 | 2,035 | 100.0% | 0.0% | 100.0% | 2,035 | 0 | 2,035 | 100.0% | 0.0% | 100.0% | - | - | - |
| | 2014 2Q | 2,035 | 0 | 2,035 | 100.0% | 0.0% | 100.0% | 2,035 | 0 | 2,035 | 100.0% | 0.0% | 100.0% | - | - | - |
| | 2014 1Q | 2,035 | 0 | 2,035 | 100.0% | 0.0% | 100.0% | 2,035 | 0 | 2,035 | 100.0% | 0.0% | 100.0% | - | - | - |
| | 2013 4Q | 2,035 | 0 | 2,035 | 100.0% | 0.0% | 100.0% | 2,035 | 0 | 2,035 | 100.0% | 0.0% | 100.0% | - | - | - |
| | 2013 3Q | 2,035 | 0 | 2,035 | 100.0% | 0.0% | 100.0% | 2,035 | 0 | 2,035 | 100.0% | 0.0% | 100.0% | - | - | - |
| | 2013 2Q | 2,035 | 0 | 2,035 | 100.0% | 0.0% | 100.0% | 2,035 | 0 | 2,035 | 100.0% | 0.0% | 100.0% | - | - | - |
| | 2013 1Q | 2,035 | 0 | 2,035 | 100.0% | 0.0% | 100.0% | 2,035 | 0 | 2,035 | 100.0% | 0.0% | 100.0% | - | - | - |
| | 2012 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2012 3Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2012 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |

Building Historical Vacancy Report

| Building | Period | SF Vacant | | | % Vacant | | | SF Vacant Available | | | % Vacant Available | | | Average Rate | | |
|---|---------|-----------|--------|-------|----------|--------|-------|---------------------|--------|-------|--------------------|--------|-------|--------------|-------------|-------------|
| | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| 49-91 Dempsey Rd <i>Calaveras Dempsey Retail</i> <i>Milpitas, CA 95035</i> 11,027 SF RBA | Current | 2,110 | 0 | 2,110 | 19.1% | 0.0% | 19.1% | 2,110 | 0 | 2,110 | 19.1% | 0.0% | 19.1% | - | - | - |
| | 2014 4Q | 2,110 | 0 | 2,110 | 19.1% | 0.0% | 19.1% | 2,110 | 0 | 2,110 | 19.1% | 0.0% | 19.1% | \$19.94/nnn | - | \$19.94/nnn |
| | 2014 3Q | 2,110 | 0 | 2,110 | 19.1% | 0.0% | 19.1% | 2,110 | 0 | 2,110 | 19.1% | 0.0% | 19.1% | \$19.94/nnn | - | \$19.94/nnn |
| | 2014 2Q | 2,110 | 0 | 2,110 | 19.1% | 0.0% | 19.1% | 2,110 | 0 | 2,110 | 19.1% | 0.0% | 19.1% | \$19.94/nnn | - | \$19.94/nnn |
| | 2014 1Q | 2,110 | 0 | 2,110 | 19.1% | 0.0% | 19.1% | 2,110 | 0 | 2,110 | 19.1% | 0.0% | 19.1% | \$19.94/nnn | - | \$19.94/nnn |
| | 2013 4Q | 3,913 | 0 | 3,913 | 35.5% | 0.0% | 35.5% | 3,913 | 0 | 3,913 | 35.5% | 0.0% | 35.5% | \$19.94/nnn | - | \$19.94/nnn |
| | 2013 3Q | 3,913 | 0 | 3,913 | 35.5% | 0.0% | 35.5% | 3,913 | 0 | 3,913 | 35.5% | 0.0% | 35.5% | \$19.94/nnn | - | \$19.94/nnn |
| | 2013 2Q | 3,913 | 0 | 3,913 | 35.5% | 0.0% | 35.5% | 3,913 | 0 | 3,913 | 35.5% | 0.0% | 35.5% | \$19.94/nnn | - | \$19.94/nnn |
| | 2013 1Q | 3,913 | 0 | 3,913 | 35.5% | 0.0% | 35.5% | 3,913 | 0 | 3,913 | 35.5% | 0.0% | 35.5% | \$21.16/nnn | - | \$21.16/nnn |
| | 2012 4Q | 5,098 | 0 | 5,098 | 46.2% | 0.0% | 46.2% | 5,098 | 0 | 5,098 | 46.2% | 0.0% | 46.2% | \$21.28/nnn | - | \$21.28/nnn |
| | 2012 3Q | 7,907 | 0 | 7,907 | 71.7% | 0.0% | 71.7% | 5,791 | 0 | 5,791 | 52.5% | 0.0% | 52.5% | \$21.43/nnn | - | \$21.43/nnn |
| | 2012 2Q | 7,907 | 0 | 7,907 | 71.7% | 0.0% | 71.7% | 7,907 | 0 | 7,907 | 71.7% | 0.0% | 71.7% | \$21.43/nnn | - | \$21.43/nnn |
| 1400-1426 Dempsey Rd <i>Milpitas, CA 95035</i> 16,228 SF RBA | Current | 1,040 | 0 | 1,040 | 6.4% | 0.0% | 6.4% | 1,040 | 0 | 1,040 | 6.4% | 0.0% | 6.4% | \$23.04/nnn | - | \$23.04/nnn |
| | 2014 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$22.80/nnn | - | \$22.80/nnn |
| | 2014 3Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$22.80/nnn | - | \$22.80/nnn |
| | 2014 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$22.80/nnn | - | \$22.80/nnn |
| | 2014 1Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$22.80/nnn | - | \$22.80/nnn |
| | 2013 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$22.80/nnn | - | \$22.80/nnn |
| | 2013 3Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$22.80/nnn | - | \$22.80/nnn |
| | 2013 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2013 1Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2012 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2012 3Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2012 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| 127-141 E Dixon Rd <i>Milpitas, CA 95035</i> 5,652 SF RBA | Current | 1,850 | 0 | 1,850 | 32.7% | 0.0% | 32.7% | 1,850 | 0 | 1,850 | 32.7% | 0.0% | 32.7% | \$23.39/nnn | - | \$23.39/nnn |
| | 2014 4Q | 1,000 | 0 | 1,000 | 17.7% | 0.0% | 17.7% | 1,000 | 0 | 1,000 | 17.7% | 0.0% | 17.7% | \$24.00/nnn | - | \$24.00/nnn |
| | 2014 3Q | 1,000 | 0 | 1,000 | 17.7% | 0.0% | 17.7% | 1,000 | 0 | 1,000 | 17.7% | 0.0% | 17.7% | \$19.20/nnn | - | \$19.20/nnn |
| | 2014 2Q | 1,000 | 0 | 1,000 | 17.7% | 0.0% | 17.7% | 1,000 | 0 | 1,000 | 17.7% | 0.0% | 17.7% | \$19.20/nnn | - | \$19.20/nnn |
| | 2014 1Q | 1,000 | 0 | 1,000 | 17.7% | 0.0% | 17.7% | 1,000 | 0 | 1,000 | 17.7% | 0.0% | 17.7% | \$19.20/nnn | - | \$19.20/nnn |
| | 2013 4Q | 1,000 | 0 | 1,000 | 17.7% | 0.0% | 17.7% | 1,000 | 0 | 1,000 | 17.7% | 0.0% | 17.7% | \$19.20/nnn | - | \$19.20/nnn |
| | 2013 3Q | 1,000 | 0 | 1,000 | 17.7% | 0.0% | 17.7% | 1,000 | 0 | 1,000 | 17.7% | 0.0% | 17.7% | \$19.20/nnn | - | \$19.20/nnn |
| | 2013 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$17.04/nnn | - | \$17.04/nnn |
| | 2013 1Q | 0 | 900 | 900 | 0.0% | 15.9% | 15.9% | 0 | 900 | 900 | 0.0% | 15.9% | 15.9% | \$17.04/nnn | \$17.04/nnn | \$17.04/nnn |
| | 2012 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$17.04/nnn | - | \$17.04/nnn |
| | 2012 3Q | 900 | 0 | 900 | 15.9% | 0.0% | 15.9% | 900 | 0 | 900 | 15.9% | 0.0% | 15.9% | \$17.04/nnn | - | \$17.04/nnn |
| | 2012 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |

Building Historical Vacancy Report

| Building | Period | SF Vacant | | | % Vacant | | | SF Vacant Available | | | % Vacant Available | | | Average Rate | | |
|--|---------|-----------|--------|-------|----------|--------|-------|---------------------|--------|-------|--------------------|--------|-------|--------------|--------|-------------|
| | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| 275-473 Jacklin Rd Foothill Square Shopping Center Milpitas, CA 95035 78,404 SF RBA | Current | 5,925 | 0 | 5,925 | 7.6% | 0.0% | 7.6% | 5,925 | 0 | 5,925 | 7.6% | 0.0% | 7.6% | \$18.84/nnn | - | \$18.84/nnn |
| | 2014 4Q | 5,925 | 0 | 5,925 | 7.6% | 0.0% | 7.6% | 5,925 | 0 | 5,925 | 7.6% | 0.0% | 7.6% | \$18.84/nnn | - | \$18.84/nnn |
| | 2014 3Q | 5,925 | 0 | 5,925 | 7.6% | 0.0% | 7.6% | 5,925 | 0 | 5,925 | 7.6% | 0.0% | 7.6% | \$18.84/nnn | - | \$18.84/nnn |
| | 2014 2Q | 5,925 | 0 | 5,925 | 7.6% | 0.0% | 7.6% | 5,925 | 0 | 5,925 | 7.6% | 0.0% | 7.6% | \$18.84/nnn | - | \$18.84/nnn |
| | 2014 1Q | 5,925 | 0 | 5,925 | 7.6% | 0.0% | 7.6% | 5,925 | 0 | 5,925 | 7.6% | 0.0% | 7.6% | \$18.84/nnn | - | \$18.84/nnn |
| | 2013 4Q | 5,925 | 0 | 5,925 | 7.6% | 0.0% | 7.6% | 5,925 | 0 | 5,925 | 7.6% | 0.0% | 7.6% | \$18.84/nnn | - | \$18.84/nnn |
| | 2013 3Q | 5,925 | 0 | 5,925 | 7.6% | 0.0% | 7.6% | 5,925 | 0 | 5,925 | 7.6% | 0.0% | 7.6% | \$18.84/nnn | - | \$18.84/nnn |
| | 2013 2Q | 5,925 | 0 | 5,925 | 7.6% | 0.0% | 7.6% | 5,925 | 0 | 5,925 | 7.6% | 0.0% | 7.6% | \$23.94/nnn | - | \$23.94/nnn |
| | 2013 1Q | 5,925 | 0 | 5,925 | 7.6% | 0.0% | 7.6% | 5,925 | 0 | 5,925 | 7.6% | 0.0% | 7.6% | \$23.94/nnn | - | \$23.94/nnn |
| | 2012 4Q | 5,025 | 0 | 5,025 | 6.4% | 0.0% | 6.4% | 5,025 | 0 | 5,025 | 6.4% | 0.0% | 6.4% | \$23.39/nnn | - | \$23.39/nnn |
| | 2012 3Q | 5,025 | 0 | 5,025 | 6.4% | 0.0% | 6.4% | 5,025 | 0 | 5,025 | 6.4% | 0.0% | 6.4% | \$23.39/nnn | - | \$23.39/nnn |
| | 2012 2Q | 5,025 | 0 | 5,025 | 6.4% | 0.0% | 6.4% | 5,025 | 0 | 5,025 | 6.4% | 0.0% | 6.4% | \$23.39/nnn | - | \$23.39/nnn |
| 487-495 Jacklin Rd Milpitas, CA 95035 5,399 SF RBA | Current | 3,063 | 0 | 3,063 | 56.7% | 0.0% | 56.7% | 3,063 | 0 | 3,063 | 56.7% | 0.0% | 56.7% | \$21.00/nnn | - | \$21.00/nnn |
| | 2014 4Q | 3,063 | 0 | 3,063 | 56.7% | 0.0% | 56.7% | 3,063 | 0 | 3,063 | 56.7% | 0.0% | 56.7% | \$21.00/nnn | - | \$21.00/nnn |
| | 2014 3Q | 3,063 | 0 | 3,063 | 56.7% | 0.0% | 56.7% | 3,063 | 0 | 3,063 | 56.7% | 0.0% | 56.7% | \$21.00/nnn | - | \$21.00/nnn |
| | 2014 2Q | 3,063 | 0 | 3,063 | 56.7% | 0.0% | 56.7% | 3,063 | 0 | 3,063 | 56.7% | 0.0% | 56.7% | \$21.00/nnn | - | \$21.00/nnn |
| | 2014 1Q | 3,063 | 0 | 3,063 | 56.7% | 0.0% | 56.7% | 3,063 | 0 | 3,063 | 56.7% | 0.0% | 56.7% | \$21.00/nnn | - | \$21.00/nnn |
| | 2013 4Q | 3,063 | 0 | 3,063 | 56.7% | 0.0% | 56.7% | 3,063 | 0 | 3,063 | 56.7% | 0.0% | 56.7% | \$21.00/nnn | - | \$21.00/nnn |
| | 2013 3Q | 3,063 | 0 | 3,063 | 56.7% | 0.0% | 56.7% | 3,063 | 0 | 3,063 | 56.7% | 0.0% | 56.7% | \$21.00/nnn | - | \$21.00/nnn |
| | 2013 2Q | 3,063 | 0 | 3,063 | 56.7% | 0.0% | 56.7% | 3,063 | 0 | 3,063 | 56.7% | 0.0% | 56.7% | \$21.00/nnn | - | \$21.00/nnn |
| | 2013 1Q | 3,063 | 0 | 3,063 | 56.7% | 0.0% | 56.7% | 3,063 | 0 | 3,063 | 56.7% | 0.0% | 56.7% | \$21.00/nnn | - | \$21.00/nnn |
| | 2012 4Q | 3,063 | 0 | 3,063 | 56.7% | 0.0% | 56.7% | 3,063 | 0 | 3,063 | 56.7% | 0.0% | 56.7% | \$21.00/nnn | - | \$21.00/nnn |
| | 2012 3Q | 3,063 | 0 | 3,063 | 56.7% | 0.0% | 56.7% | 3,063 | 0 | 3,063 | 56.7% | 0.0% | 56.7% | \$21.00/nnn | - | \$21.00/nnn |
| | 2012 2Q | 3,063 | 0 | 3,063 | 56.7% | 0.0% | 56.7% | 3,063 | 0 | 3,063 | 56.7% | 0.0% | 56.7% | \$21.00/nnn | - | \$21.00/nnn |
| 1301-1369 Jacklin Rd Milpitas, CA 18,629 SF RBA | Current | 3,563 | 0 | 3,563 | 19.1% | 0.0% | 19.1% | 3,563 | 0 | 3,563 | 19.1% | 0.0% | 19.1% | \$18.00/mg | - | \$18.00/mg |
| | 2014 4Q | 3,563 | 0 | 3,563 | 19.1% | 0.0% | 19.1% | 3,563 | 0 | 3,563 | 19.1% | 0.0% | 19.1% | \$18.00/mg | - | \$18.00/mg |
| | 2014 3Q | 2,341 | 0 | 2,341 | 12.6% | 0.0% | 12.6% | 2,341 | 0 | 2,341 | 12.6% | 0.0% | 12.6% | \$18.00/mg | - | \$18.00/mg |
| | 2014 2Q | 2,341 | 0 | 2,341 | 12.6% | 0.0% | 12.6% | 2,341 | 0 | 2,341 | 12.6% | 0.0% | 12.6% | \$18.00/mg | - | \$18.00/mg |
| | 2014 1Q | 2,341 | 0 | 2,341 | 12.6% | 0.0% | 12.6% | 2,341 | 0 | 2,341 | 12.6% | 0.0% | 12.6% | \$18.00/mg | - | \$18.00/mg |
| | 2013 4Q | 841 | 0 | 841 | 4.5% | 0.0% | 4.5% | 841 | 0 | 841 | 4.5% | 0.0% | 4.5% | \$18.00/mg | - | \$18.00/mg |
| | 2013 3Q | 1,903 | 0 | 1,903 | 10.2% | 0.0% | 10.2% | 1,903 | 0 | 1,903 | 10.2% | 0.0% | 10.2% | \$18.00/mg | - | \$18.00/mg |
| | 2013 2Q | 1,903 | 0 | 1,903 | 10.2% | 0.0% | 10.2% | 1,903 | 0 | 1,903 | 10.2% | 0.0% | 10.2% | \$18.00/mg | - | \$18.00/mg |
| | 2013 1Q | 1,062 | 0 | 1,062 | 5.7% | 0.0% | 5.7% | 1,062 | 0 | 1,062 | 5.7% | 0.0% | 5.7% | \$18.00/mg | - | \$18.00/mg |
| | 2012 4Q | 1,062 | 0 | 1,062 | 5.7% | 0.0% | 5.7% | 1,062 | 0 | 1,062 | 5.7% | 0.0% | 5.7% | \$18.00/mg | - | \$18.00/mg |
| | 2012 3Q | 1,062 | 0 | 1,062 | 5.7% | 0.0% | 5.7% | 1,062 | 0 | 1,062 | 5.7% | 0.0% | 5.7% | \$18.00/mg | - | \$18.00/mg |
| | 2012 2Q | 1,062 | 0 | 1,062 | 5.7% | 0.0% | 5.7% | 1,062 | 0 | 1,062 | 5.7% | 0.0% | 5.7% | \$18.00/mg | - | \$18.00/mg |

Building Historical Vacancy Report

| Building | Period | SF Vacant | | | % Vacant | | | SF Vacant Available | | | % Vacant Available | | | Average Rate | | |
|--|---------|-----------|--------|-------|----------|--------|-------|---------------------|--------|-------|--------------------|--------|-------|--------------|--------|-------------|
| | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| 1455-1487 Landess Ave <i>Milpitas, CA 95035</i> 10,000 SF RBA | Current | 3,700 | 0 | 3,700 | 37.0% | 0.0% | 37.0% | 3,700 | 0 | 3,700 | 37.0% | 0.0% | 37.0% | \$39.57/nnn | - | \$39.57/nnn |
| | 2014 4Q | 1,500 | 0 | 1,500 | 15.0% | 0.0% | 15.0% | 1,500 | 0 | 1,500 | 15.0% | 0.0% | 15.0% | \$36.00/nnn | - | \$36.00/nnn |
| | 2014 3Q | 1,500 | 0 | 1,500 | 15.0% | 0.0% | 15.0% | 1,500 | 0 | 1,500 | 15.0% | 0.0% | 15.0% | \$39.00/nnn | - | \$39.00/nnn |
| | 2014 2Q | 1,500 | 0 | 1,500 | 15.0% | 0.0% | 15.0% | 1,500 | 0 | 1,500 | 15.0% | 0.0% | 15.0% | \$39.00/nnn | - | \$39.00/nnn |
| | 2014 1Q | 1,500 | 0 | 1,500 | 15.0% | 0.0% | 15.0% | 1,500 | 0 | 1,500 | 15.0% | 0.0% | 15.0% | \$39.00/nnn | - | \$39.00/nnn |
| | 2013 4Q | 1,500 | 0 | 1,500 | 15.0% | 0.0% | 15.0% | 1,500 | 0 | 1,500 | 15.0% | 0.0% | 15.0% | \$39.00/nnn | - | \$39.00/nnn |
| | 2013 3Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2013 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2013 1Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2012 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2012 3Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2012 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| 81-91 S Main St <i>Milpitas, CA 95035</i> 4,190 SF RBA | Current | 1,172 | 0 | 1,172 | 28.0% | 0.0% | 28.0% | 1,172 | 0 | 1,172 | 28.0% | 0.0% | 28.0% | \$15.00/nnn | - | \$15.00/nnn |
| | 2014 4Q | 1,172 | 0 | 1,172 | 28.0% | 0.0% | 28.0% | 1,172 | 0 | 1,172 | 28.0% | 0.0% | 28.0% | \$15.00/nnn | - | \$15.00/nnn |
| | 2014 3Q | 1,472 | 0 | 1,472 | 35.1% | 0.0% | 35.1% | 1,472 | 0 | 1,472 | 35.1% | 0.0% | 35.1% | \$15.00/nnn | - | \$15.00/nnn |
| | 2014 2Q | 1,472 | 0 | 1,472 | 35.1% | 0.0% | 35.1% | 1,472 | 0 | 1,472 | 35.1% | 0.0% | 35.1% | \$15.00/nnn | - | \$15.00/nnn |
| | 2014 1Q | 1,472 | 0 | 1,472 | 35.1% | 0.0% | 35.1% | 1,472 | 0 | 1,472 | 35.1% | 0.0% | 35.1% | \$15.00/nnn | - | \$15.00/nnn |
| | 2013 4Q | 1,472 | 0 | 1,472 | 35.1% | 0.0% | 35.1% | 1,472 | 0 | 1,472 | 35.1% | 0.0% | 35.1% | \$15.00/nnn | - | \$15.00/nnn |
| | 2013 3Q | 1,472 | 0 | 1,472 | 35.1% | 0.0% | 35.1% | 1,472 | 0 | 1,472 | 35.1% | 0.0% | 35.1% | \$15.00/nnn | - | \$15.00/nnn |
| | 2013 2Q | 1,472 | 0 | 1,472 | 35.1% | 0.0% | 35.1% | 1,472 | 0 | 1,472 | 35.1% | 0.0% | 35.1% | \$15.00/nnn | - | \$15.00/nnn |
| | 2013 1Q | 1,472 | 0 | 1,472 | 35.1% | 0.0% | 35.1% | 1,472 | 0 | 1,472 | 35.1% | 0.0% | 35.1% | \$15.00/nnn | - | \$15.00/nnn |
| | 2012 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2012 3Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2012 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| 134-158 S Main St <i>Central Plaza</i> <i>Milpitas, CA 95035</i> 8,400 SF RBA | Current | 1,200 | 0 | 1,200 | 14.3% | 0.0% | 14.3% | 1,200 | 0 | 1,200 | 14.3% | 0.0% | 14.3% | \$19.20/nnn | - | \$19.20/nnn |
| | 2014 4Q | 1,200 | 0 | 1,200 | 14.3% | 0.0% | 14.3% | 1,200 | 0 | 1,200 | 14.3% | 0.0% | 14.3% | \$19.20/nnn | - | \$19.20/nnn |
| | 2014 3Q | 1,200 | 0 | 1,200 | 14.3% | 0.0% | 14.3% | 1,200 | 0 | 1,200 | 14.3% | 0.0% | 14.3% | \$19.20/nnn | - | \$19.20/nnn |
| | 2014 2Q | 1,200 | 0 | 1,200 | 14.3% | 0.0% | 14.3% | 1,200 | 0 | 1,200 | 14.3% | 0.0% | 14.3% | \$19.20/nnn | - | \$19.20/nnn |
| | 2014 1Q | 1,200 | 0 | 1,200 | 14.3% | 0.0% | 14.3% | 1,200 | 0 | 1,200 | 14.3% | 0.0% | 14.3% | \$18.60/nnn | - | \$18.60/nnn |
| | 2013 4Q | 1,200 | 0 | 1,200 | 14.3% | 0.0% | 14.3% | 1,200 | 0 | 1,200 | 14.3% | 0.0% | 14.3% | \$18.00/nnn | - | \$18.00/nnn |
| | 2013 3Q | 1,200 | 0 | 1,200 | 14.3% | 0.0% | 14.3% | 1,200 | 0 | 1,200 | 14.3% | 0.0% | 14.3% | \$19.80/nnn | - | \$19.80/nnn |
| | 2013 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$17.88/mg | - | \$17.88/mg |
| | 2013 1Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$17.88/mg | - | \$17.88/mg |
| | 2012 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2012 3Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2012 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |

Building Historical Vacancy Report

| Building | Period | SF Vacant | | | % Vacant | | | SF Vacant Available | | | % Vacant Available | | | Average Rate | | |
|---|---|-----------|--------|-------|----------|--------|-------|---------------------|--------|-------|--------------------|--------|-------|--------------|------------|-------------|
| | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| 372-396 S Main St Milpitas, CA 95035 7,500 SF RBA | Current | 1,421 | 0 | 1,421 | 18.9% | 0.0% | 18.9% | 1,421 | 0 | 1,421 | 18.9% | 0.0% | 18.9% | \$26.20/nnn | - | \$26.20/nnn |
| | 2014 4Q | 1,421 | 0 | 1,421 | 18.9% | 0.0% | 18.9% | 1,421 | 0 | 1,421 | 18.9% | 0.0% | 18.9% | \$26.20/nnn | - | \$26.20/nnn |
| | 2014 3Q | 800 | 0 | 800 | 10.7% | 0.0% | 10.7% | 800 | 0 | 800 | 10.7% | 0.0% | 10.7% | \$24.00/nnn | - | \$24.00/nnn |
| | 2014 2Q | 800 | 0 | 800 | 10.7% | 0.0% | 10.7% | 800 | 0 | 800 | 10.7% | 0.0% | 10.7% | \$24.00/nnn | - | \$24.00/nnn |
| | 2014 1Q | 800 | 0 | 800 | 10.7% | 0.0% | 10.7% | 800 | 0 | 800 | 10.7% | 0.0% | 10.7% | \$24.00/nnn | - | \$24.00/nnn |
| | 2013 4Q | 800 | 0 | 800 | 10.7% | 0.0% | 10.7% | 800 | 0 | 800 | 10.7% | 0.0% | 10.7% | \$24.00/nnn | - | \$24.00/nnn |
| | 2013 3Q | 800 | 0 | 800 | 10.7% | 0.0% | 10.7% | 800 | 0 | 800 | 10.7% | 0.0% | 10.7% | \$24.00/nnn | - | \$24.00/nnn |
| | 2013 2Q | 800 | 0 | 800 | 10.7% | 0.0% | 10.7% | 800 | 0 | 800 | 10.7% | 0.0% | 10.7% | \$24.00/nnn | - | \$24.00/nnn |
| | 2013 1Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2012 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2012 3Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2012 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 621-643 S Main St Villa Milpitas Center Milpitas, CA 95035 10,749 SF RBA | Current | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$21.60/mg | - |
| 2014 4Q | | 1,100 | 0 | 1,100 | 10.2% | 0.0% | 10.2% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$21.90/fs | - | \$21.90/fs |
| 2014 3Q | | 1,100 | 0 | 1,100 | 10.2% | 0.0% | 10.2% | 1,100 | 0 | 1,100 | 10.2% | 0.0% | 10.2% | \$21.90/fs | - | \$21.90/fs |
| 2014 2Q | | 1,100 | 0 | 1,100 | 10.2% | 0.0% | 10.2% | 1,100 | 0 | 1,100 | 10.2% | 0.0% | 10.2% | \$40.20/fs | - | \$40.20/fs |
| 2014 1Q | | 1,100 | 0 | 1,100 | 10.2% | 0.0% | 10.2% | 1,100 | 0 | 1,100 | 10.2% | 0.0% | 10.2% | \$22.20/fs | - | \$22.20/fs |
| 2013 4Q | | 3,400 | 0 | 3,400 | 31.6% | 0.0% | 31.6% | 3,400 | 0 | 3,400 | 31.6% | 0.0% | 31.6% | \$22.20/fs | - | \$22.20/fs |
| 2013 3Q | | 2,800 | 0 | 2,800 | 26.0% | 0.0% | 26.0% | 2,800 | 0 | 2,800 | 26.0% | 0.0% | 26.0% | \$22.20/fs | - | \$22.20/fs |
| 2013 2Q | | 3,050 | 0 | 3,050 | 28.4% | 0.0% | 28.4% | 3,050 | 0 | 3,050 | 28.4% | 0.0% | 28.4% | \$22.20/fs | - | \$22.20/fs |
| 2013 1Q | | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$21.00/mg | - | \$21.00/mg |
| 2012 4Q | | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$21.00/mg | - | \$21.00/mg |
| 2012 3Q | | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$21.00/mg | - | \$21.00/mg |
| 2012 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - | |
| McCandless Dr @ Great Mall Pkway The District at Milpitas Milpitas, CA 95035 500,000 SF RBA | Current | 0 | 0 | 0 | - | - | - | 0 | 0 | 0 | - | - | - | - | - | - |

Building Historical Vacancy Report

| Building | Period | SF Vacant | | | % Vacant | | | SF Vacant Available | | | % Vacant Available | | | Average Rate | | |
|---|---------|-----------|--------|-------|----------|--------|-------|---------------------|--------|-------|--------------------|--------|-------|--------------|-------------|-------------|
| | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| 1774-1838 Milmont Dr <i>Milpitas, CA 95035</i> 19,375 SF RBA | Current | 687 | 0 | 687 | 3.5% | 0.0% | 3.5% | 687 | 0 | 687 | 3.5% | 0.0% | 3.5% | \$22.80/nnn | - | \$22.80/nnn |
| | 2014 4Q | 687 | 0 | 687 | 3.5% | 0.0% | 3.5% | 687 | 0 | 687 | 3.5% | 0.0% | 3.5% | \$22.80/nnn | - | \$22.80/nnn |
| | 2014 3Q | 687 | 0 | 687 | 3.5% | 0.0% | 3.5% | 687 | 0 | 687 | 3.5% | 0.0% | 3.5% | \$22.80/nnn | - | \$22.80/nnn |
| | 2014 2Q | 1,053 | 0 | 1,053 | 5.4% | 0.0% | 5.4% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$21.00/nnn | - | \$21.00/nnn |
| | 2014 1Q | 2,213 | 0 | 2,213 | 11.4% | 0.0% | 11.4% | 2,213 | 0 | 2,213 | 11.4% | 0.0% | 11.4% | \$21.00/nnn | - | \$21.00/nnn |
| | 2013 4Q | 2,213 | 0 | 2,213 | 11.4% | 0.0% | 11.4% | 2,213 | 0 | 2,213 | 11.4% | 0.0% | 11.4% | \$21.00/nnn | - | \$21.00/nnn |
| | 2013 3Q | 2,213 | 0 | 2,213 | 11.4% | 0.0% | 11.4% | 2,213 | 0 | 2,213 | 11.4% | 0.0% | 11.4% | \$21.00/nnn | - | \$21.00/nnn |
| | 2013 2Q | 2,213 | 0 | 2,213 | 11.4% | 0.0% | 11.4% | 2,213 | 0 | 2,213 | 11.4% | 0.0% | 11.4% | \$21.00/nnn | - | \$21.00/nnn |
| | 2013 1Q | 3,431 | 0 | 3,431 | 17.7% | 0.0% | 17.7% | 3,431 | 0 | 3,431 | 17.7% | 0.0% | 17.7% | \$20.85/nnn | - | \$20.85/nnn |
| | 2012 4Q | 3,431 | 0 | 3,431 | 17.7% | 0.0% | 17.7% | 3,431 | 0 | 3,431 | 17.7% | 0.0% | 17.7% | \$20.70/nnn | - | \$20.70/nnn |
| | 2012 3Q | 3,431 | 0 | 3,431 | 17.7% | 0.0% | 17.7% | 3,431 | 0 | 3,431 | 17.7% | 0.0% | 17.7% | \$21.35/nnn | - | \$21.35/nnn |
| | 2012 2Q | 2,900 | 0 | 2,900 | 15.0% | 0.0% | 15.0% | 2,900 | 0 | 2,900 | 15.0% | 0.0% | 15.0% | \$24.60/nnn | - | \$24.60/nnn |
| 15-85 N Milpitas Blvd <i>City Square</i> <i>Milpitas, CA 95035</i> 81,238 SF RBA | Current | 1,700 | 2,940 | 4,640 | 2.1% | 3.6% | 5.7% | 1,700 | 2,940 | 4,640 | 2.1% | 3.6% | 5.7% | \$28.20/nnn | \$24.00/nnn | \$25.54/nnn |
| | 2014 4Q | 1,700 | 2,940 | 4,640 | 2.1% | 3.6% | 5.7% | 1,700 | 2,940 | 4,640 | 2.1% | 3.6% | 5.7% | \$28.20/nnn | \$24.00/nnn | \$25.54/nnn |
| | 2014 3Q | 1,700 | 2,940 | 4,640 | 2.1% | 3.6% | 5.7% | 1,700 | 2,940 | 4,640 | 2.1% | 3.6% | 5.7% | \$28.20/nnn | \$24.00/nnn | \$25.54/nnn |
| | 2014 2Q | 1,700 | 2,940 | 4,640 | 2.1% | 3.6% | 5.7% | 1,700 | 2,940 | 4,640 | 2.1% | 3.6% | 5.7% | \$28.20/nnn | \$24.00/nnn | \$25.54/nnn |
| | 2014 1Q | 1,700 | 2,940 | 4,640 | 2.1% | 3.6% | 5.7% | 1,700 | 2,940 | 4,640 | 2.1% | 3.6% | 5.7% | \$28.20/nnn | \$24.00/nnn | \$25.54/nnn |
| | 2013 4Q | 0 | 2,940 | 2,940 | 0.0% | 3.6% | 3.6% | 0 | 2,940 | 2,940 | 0.0% | 3.6% | 3.6% | \$27.00/nnn | \$24.00/nnn | \$24.97/nnn |
| | 2013 3Q | 0 | 2,940 | 2,940 | 0.0% | 3.6% | 3.6% | 0 | 2,940 | 2,940 | 0.0% | 3.6% | 3.6% | \$27.00/nnn | \$24.00/nnn | \$24.97/nnn |
| | 2013 2Q | 0 | 2,940 | 2,940 | 0.0% | 3.6% | 3.6% | 0 | 2,940 | 2,940 | 0.0% | 3.6% | 3.6% | \$27.00/nnn | \$24.00/nnn | \$24.97/nnn |
| | 2013 1Q | 1,400 | 2,940 | 4,340 | 1.7% | 3.6% | 5.3% | 1,400 | 2,940 | 4,340 | 1.7% | 3.6% | 5.3% | \$27.00/nnn | \$24.00/nnn | \$24.97/nnn |
| | 2012 4Q | 1,400 | 0 | 1,400 | 1.7% | 0.0% | 1.7% | 1,400 | 0 | 1,400 | 1.7% | 0.0% | 1.7% | \$27.00/nnn | - | \$27.00/nnn |
| | 2012 3Q | 5,000 | 0 | 5,000 | 6.2% | 0.0% | 6.2% | 5,000 | 0 | 5,000 | 6.2% | 0.0% | 6.2% | \$27.00/nnn | - | \$27.00/nnn |
| | 2012 2Q | 5,000 | 0 | 5,000 | 6.2% | 0.0% | 6.2% | 5,000 | 0 | 5,000 | 6.2% | 0.0% | 6.2% | \$27.00/nnn | - | \$27.00/nnn |
| 136-148 N Milpitas Blvd <i>Milpitas, CA 95035</i> 8,417 SF RBA | Current | 1,300 | 0 | 1,300 | 15.4% | 0.0% | 15.4% | 1,300 | 0 | 1,300 | 15.4% | 0.0% | 15.4% | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 4Q | 1,300 | 0 | 1,300 | 15.4% | 0.0% | 15.4% | 1,300 | 0 | 1,300 | 15.4% | 0.0% | 15.4% | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 3Q | 1,300 | 0 | 1,300 | 15.4% | 0.0% | 15.4% | 1,300 | 0 | 1,300 | 15.4% | 0.0% | 15.4% | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 2Q | 1,300 | 0 | 1,300 | 15.4% | 0.0% | 15.4% | 1,300 | 0 | 1,300 | 15.4% | 0.0% | 15.4% | \$31.50/nnn | - | \$31.50/nnn |
| | 2014 1Q | 1,300 | 0 | 1,300 | 15.4% | 0.0% | 15.4% | 1,300 | 0 | 1,300 | 15.4% | 0.0% | 15.4% | \$31.50/nnn | - | \$31.50/nnn |
| | 2013 4Q | 1,300 | 0 | 1,300 | 15.4% | 0.0% | 15.4% | 1,300 | 0 | 1,300 | 15.4% | 0.0% | 15.4% | \$31.50/nnn | - | \$31.50/nnn |
| | 2013 3Q | 1,300 | 0 | 1,300 | 15.4% | 0.0% | 15.4% | 1,300 | 0 | 1,300 | 15.4% | 0.0% | 15.4% | \$31.50/nnn | - | \$31.50/nnn |
| | 2013 2Q | 1,300 | 0 | 1,300 | 15.4% | 0.0% | 15.4% | 1,300 | 0 | 1,300 | 15.4% | 0.0% | 15.4% | \$31.50/nnn | - | \$31.50/nnn |
| | 2013 1Q | 1,300 | 0 | 1,300 | 15.4% | 0.0% | 15.4% | 1,300 | 0 | 1,300 | 15.4% | 0.0% | 15.4% | \$31.50/nnn | - | \$31.50/nnn |
| | 2012 4Q | 1,300 | 0 | 1,300 | 15.4% | 0.0% | 15.4% | 1,300 | 0 | 1,300 | 15.4% | 0.0% | 15.4% | \$31.50/nnn | - | \$31.50/nnn |
| | 2012 3Q | 1,300 | 0 | 1,300 | 15.4% | 0.0% | 15.4% | 1,300 | 0 | 1,300 | 15.4% | 0.0% | 15.4% | \$31.50/nnn | - | \$31.50/nnn |
| | 2012 2Q | 1,300 | 0 | 1,300 | 15.4% | 0.0% | 15.4% | 1,300 | 0 | 1,300 | 15.4% | 0.0% | 15.4% | \$31.50/nnn | - | \$31.50/nnn |

Building Historical Vacancy Report

| Building | Period | SF Vacant | | | % Vacant | | | SF Vacant Available | | | % Vacant Available | | | Average Rate | | |
|---|---------|-----------|--------|--------|----------|--------|--------|---------------------|--------|--------|--------------------|--------|-------------|--------------|-------------|-------------|
| | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| 985 Montague Expy <i>Milpitas, CA 95035</i> 9,760 SF RBA | Current | 9,760 | 0 | 9,760 | 100.0% | 0.0% | 100.0% | 9,760 | 0 | 9,760 | 100.0% | 0.0% | 100.0% | - | - | - |
| | 2014 4Q | 9,760 | 0 | 9,760 | 100.0% | 0.0% | 100.0% | 9,760 | 0 | 9,760 | 100.0% | 0.0% | 100.0% | - | - | - |
| | 2014 3Q | 9,760 | 0 | 9,760 | 100.0% | 0.0% | 100.0% | 9,760 | 0 | 9,760 | 100.0% | 0.0% | 100.0% | - | - | - |
| | 2014 2Q | 9,760 | 0 | 9,760 | 100.0% | 0.0% | 100.0% | 9,760 | 0 | 9,760 | 100.0% | 0.0% | 100.0% | - | - | - |
| | 2014 1Q | 9,760 | 0 | 9,760 | 100.0% | 0.0% | 100.0% | 9,760 | 0 | 9,760 | 100.0% | 0.0% | 100.0% | - | - | - |
| | 2013 4Q | 9,760 | 0 | 9,760 | 100.0% | 0.0% | 100.0% | 9,760 | 0 | 9,760 | 100.0% | 0.0% | 100.0% | - | - | - |
| | 2013 3Q | 9,760 | 0 | 9,760 | 100.0% | 0.0% | 100.0% | 9,760 | 0 | 9,760 | 100.0% | 0.0% | 100.0% | - | - | - |
| | 2013 2Q | 9,760 | 0 | 9,760 | 100.0% | 0.0% | 100.0% | 9,760 | 0 | 9,760 | 100.0% | 0.0% | 100.0% | - | - | - |
| | 2013 1Q | 9,760 | 0 | 9,760 | 100.0% | 0.0% | 100.0% | 9,760 | 0 | 9,760 | 100.0% | 0.0% | 100.0% | - | - | - |
| | 2012 4Q | 9,760 | 0 | 9,760 | 100.0% | 0.0% | 100.0% | 9,760 | 0 | 9,760 | 100.0% | 0.0% | 100.0% | - | - | - |
| | 2012 3Q | 9,760 | 0 | 9,760 | 100.0% | 0.0% | 100.0% | 9,760 | 0 | 9,760 | 100.0% | 0.0% | 100.0% | - | - | - |
| | 2012 2Q | 9,760 | 0 | 9,760 | 100.0% | 0.0% | 100.0% | 9,760 | 0 | 9,760 | 100.0% | 0.0% | 100.0% | - | - | - |
| 102-118 S Park Victoria Dr <i>Milpitas, CA 95035</i> 6,646 SF RBA | Current | 1,275 | 0 | 1,275 | 19.2% | 0.0% | 19.2% | 1,275 | 0 | 1,275 | 19.2% | 0.0% | 19.2% | \$24.00/nnn | - | \$24.00/nnn |
| | 2014 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2014 3Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2014 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2014 1Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2013 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2013 3Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2013 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$27.00/nnn | - | \$27.00/nnn |
| | 2013 1Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$27.00/nnn | - | \$27.00/nnn |
| | 2012 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$27.00/nnn | - | \$27.00/nnn |
| 2012 3Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$27.00/nnn | - | \$27.00/nnn | |
| 2012 2Q | 1,000 | 0 | 1,000 | 15.0% | 0.0% | 15.0% | 1,000 | 0 | 1,000 | 15.0% | 0.0% | 15.0% | \$27.00/nnn | - | \$27.00/nnn | |
| 15-63 Ranch Dr <i>Milpitas, CA 95035</i> 97,250 SF RBA | Current | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2014 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2014 3Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2014 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2014 1Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2013 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2013 3Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2013 2Q | 21,000 | 0 | 21,000 | 21.6% | 0.0% | 21.6% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2013 1Q | 46,000 | 0 | 46,000 | 47.3% | 0.0% | 47.3% | 46,000 | 0 | 46,000 | 47.3% | 0.0% | 47.3% | - | - | - |
| | 2012 4Q | 46,000 | 0 | 46,000 | 47.3% | 0.0% | 47.3% | 46,000 | 0 | 46,000 | 47.3% | 0.0% | 47.3% | \$15.00/nnn | - | \$15.00/nnn |
| 2012 3Q | 46,000 | 0 | 46,000 | 47.3% | 0.0% | 47.3% | 46,000 | 0 | 46,000 | 47.3% | 0.0% | 47.3% | \$15.00/nnn | - | \$15.00/nnn | |
| 2012 2Q | 46,000 | 0 | 46,000 | 47.3% | 0.0% | 47.3% | 46,000 | 0 | 46,000 | 47.3% | 0.0% | 47.3% | \$15.00/nnn | - | \$15.00/nnn | |

Building Historical Vacancy Report

| Building | Period | SF Vacant | | | % Vacant | | | SF Vacant Available | | | % Vacant Available | | | Average Rate | | |
|---|---------|-----------|--------|--------|----------|--------|--------|---------------------|--------|--------|--------------------|--------|-------------|--------------|-------------|-------------|
| | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| 111-251 Ranch Dr <i>Milpitas, CA 95035</i> 141,870 SF RBA | Current | 66,454 | 0 | 66,454 | 46.8% | 0.0% | 46.8% | 42,704 | 0 | 42,704 | 30.1% | 0.0% | 30.1% | - | - | - |
| | 2014 4Q | 66,454 | 0 | 66,454 | 46.8% | 0.0% | 46.8% | 66,454 | 0 | 66,454 | 46.8% | 0.0% | 46.8% | - | - | - |
| | 2014 3Q | 66,454 | 0 | 66,454 | 46.8% | 0.0% | 46.8% | 66,454 | 0 | 66,454 | 46.8% | 0.0% | 46.8% | - | - | - |
| | 2014 2Q | 66,454 | 0 | 66,454 | 46.8% | 0.0% | 46.8% | 66,454 | 0 | 66,454 | 46.8% | 0.0% | 46.8% | - | - | - |
| | 2014 1Q | 66,454 | 0 | 66,454 | 46.8% | 0.0% | 46.8% | 66,454 | 0 | 66,454 | 46.8% | 0.0% | 46.8% | - | - | - |
| | 2013 4Q | 66,454 | 0 | 66,454 | 46.8% | 0.0% | 46.8% | 66,454 | 0 | 66,454 | 46.8% | 0.0% | 46.8% | - | - | - |
| | 2013 3Q | 66,454 | 0 | 66,454 | 46.8% | 0.0% | 46.8% | 66,454 | 0 | 66,454 | 46.8% | 0.0% | 46.8% | - | - | - |
| | 2013 2Q | 66,454 | 0 | 66,454 | 46.8% | 0.0% | 46.8% | 66,454 | 0 | 66,454 | 46.8% | 0.0% | 46.8% | - | - | - |
| | 2013 1Q | 66,454 | 0 | 66,454 | 46.8% | 0.0% | 46.8% | 66,454 | 0 | 66,454 | 46.8% | 0.0% | 46.8% | \$40.00/nnn | - | \$40.00/nnn |
| | 2012 4Q | 66,454 | 0 | 66,454 | 46.8% | 0.0% | 46.8% | 66,454 | 0 | 66,454 | 46.8% | 0.0% | 46.8% | \$40.00/nnn | - | \$40.00/nnn |
| | 2012 3Q | 66,454 | 0 | 66,454 | 46.8% | 0.0% | 46.8% | 66,454 | 0 | 66,454 | 46.8% | 0.0% | 46.8% | \$40.00/nnn | - | \$40.00/nnn |
| 2012 2Q | 66,454 | 0 | 66,454 | 46.8% | 0.0% | 46.8% | 66,454 | 0 | 66,454 | 46.8% | 0.0% | 46.8% | \$40.00/nnn | - | \$40.00/nnn | |
| 120-158 Ranch Dr <i>Milpitas, CA 95035</i> 75,803 SF RBA | Current | 20,250 | 0 | 20,250 | 26.7% | 0.0% | 26.7% | 20,250 | 0 | 20,250 | 26.7% | 0.0% | 26.7% | - | - | - |
| | 2014 4Q | 20,250 | 0 | 20,250 | 26.7% | 0.0% | 26.7% | 20,250 | 0 | 20,250 | 26.7% | 0.0% | 26.7% | - | - | - |
| | 2014 3Q | 20,250 | 0 | 20,250 | 26.7% | 0.0% | 26.7% | 20,250 | 0 | 20,250 | 26.7% | 0.0% | 26.7% | - | - | - |
| | 2014 2Q | 20,250 | 0 | 20,250 | 26.7% | 0.0% | 26.7% | 20,250 | 0 | 20,250 | 26.7% | 0.0% | 26.7% | - | - | - |
| | 2014 1Q | 20,250 | 0 | 20,250 | 26.7% | 0.0% | 26.7% | 20,250 | 0 | 20,250 | 26.7% | 0.0% | 26.7% | - | - | - |
| | 2013 4Q | 20,250 | 0 | 20,250 | 26.7% | 0.0% | 26.7% | 20,250 | 0 | 20,250 | 26.7% | 0.0% | 26.7% | - | - | - |
| | 2013 3Q | 20,250 | 0 | 20,250 | 26.7% | 0.0% | 26.7% | 20,250 | 0 | 20,250 | 26.7% | 0.0% | 26.7% | - | - | - |
| | 2013 2Q | 63,735 | 0 | 63,735 | 84.1% | 0.0% | 84.1% | 20,250 | 0 | 20,250 | 26.7% | 0.0% | 26.7% | - | - | - |
| | 2013 1Q | 63,735 | 0 | 63,735 | 84.1% | 0.0% | 84.1% | 20,250 | 0 | 20,250 | 26.7% | 0.0% | 26.7% | - | - | - |
| | 2012 4Q | 63,735 | 0 | 63,735 | 84.1% | 0.0% | 84.1% | 63,735 | 0 | 63,735 | 84.1% | 0.0% | 84.1% | - | - | - |
| | 2012 3Q | 63,735 | 0 | 63,735 | 84.1% | 0.0% | 84.1% | 63,735 | 0 | 63,735 | 84.1% | 0.0% | 84.1% | - | - | - |
| 2012 2Q | 63,735 | 0 | 63,735 | 84.1% | 0.0% | 84.1% | 63,735 | 0 | 63,735 | 84.1% | 0.0% | 84.1% | - | - | - | |
| 198-252 Ranch Dr <i>Milpitas, CA 95035</i> 23,658 SF RBA | Current | 5,000 | 0 | 5,000 | 21.1% | 0.0% | 21.1% | 5,000 | 0 | 5,000 | 21.1% | 0.0% | 21.1% | - | - | - |
| | 2014 4Q | 5,000 | 0 | 5,000 | 21.1% | 0.0% | 21.1% | 5,000 | 0 | 5,000 | 21.1% | 0.0% | 21.1% | - | - | - |
| | 2014 3Q | 5,000 | 0 | 5,000 | 21.1% | 0.0% | 21.1% | 5,000 | 0 | 5,000 | 21.1% | 0.0% | 21.1% | - | - | - |
| | 2014 2Q | 5,000 | 0 | 5,000 | 21.1% | 0.0% | 21.1% | 5,000 | 0 | 5,000 | 21.1% | 0.0% | 21.1% | - | - | - |
| | 2014 1Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2013 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2013 3Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$30.00/nnn | - | \$30.00/nnn |
| | 2013 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | \$30.00/nnn | - | \$30.00/nnn |
| | 2013 1Q | 1,920 | 0 | 1,920 | 8.1% | 0.0% | 8.1% | 1,920 | 0 | 1,920 | 8.1% | 0.0% | 8.1% | \$30.00/nnn | - | \$30.00/nnn |
| | 2012 4Q | 1,920 | 0 | 1,920 | 8.1% | 0.0% | 8.1% | 1,920 | 0 | 1,920 | 8.1% | 0.0% | 8.1% | \$30.00/nnn | - | \$30.00/nnn |
| | 2012 3Q | 1,920 | 0 | 1,920 | 8.1% | 0.0% | 8.1% | 1,920 | 0 | 1,920 | 8.1% | 0.0% | 8.1% | \$30.00/nnn | - | \$30.00/nnn |
| 2012 2Q | 1,920 | 0 | 1,920 | 8.1% | 0.0% | 8.1% | 1,920 | 0 | 1,920 | 8.1% | 0.0% | 8.1% | \$30.00/nnn | - | \$30.00/nnn | |

Building Historical Vacancy Report

| Building | Period | SF Vacant | | | % Vacant | | | SF Vacant Available | | | % Vacant Available | | | Average Rate | | |
|--|---------|-----------|--------|-------|----------|--------|-------|---------------------|--------|-------|--------------------|--------|-------|--------------|--------|-------------|
| | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total |
| 41 Serra Way Milpitas, CA 95035 6,712 SF RBA | Current | 2,037 | 0 | 2,037 | 30.3% | 0.0% | 30.3% | 2,037 | 0 | 2,037 | 30.3% | 0.0% | 30.3% | \$28.20/nnn | - | \$28.20/nnn |
| | 2014 4Q | 2,037 | 0 | 2,037 | 30.3% | 0.0% | 30.3% | 2,037 | 0 | 2,037 | 30.3% | 0.0% | 30.3% | \$28.20/nnn | - | \$28.20/nnn |
| | 2014 3Q | 2,037 | 0 | 2,037 | 30.3% | 0.0% | 30.3% | 2,037 | 0 | 2,037 | 30.3% | 0.0% | 30.3% | \$28.20/nnn | - | \$28.20/nnn |
| | 2014 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2014 1Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2013 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2013 3Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2013 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2013 1Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2012 4Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2012 3Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |
| | 2012 2Q | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% | - | - | - |

Building Historical Vacancy Report

| Period | Properties | RBA | SF Vacant | | | % Vacant | | | SF Vacant Available | | | % Vacant Available | | | Average Rate | | |
|---------|------------|-----------|-----------|--------|---------|----------|--------|-------|---------------------|--------|---------|--------------------|--------|-------|--------------|-------------|-------------|
| | | | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Total | Direct | Sublet | Avg Rate |
| Current | 34 | 1,427,435 | 240,724 | 2,940 | 243,664 | 16.9% | 0.2% | 17.1% | 216,974 | 2,940 | 219,914 | 15.2% | 0.2% | 15.4% | \$27.75/nnn | \$24.00/nnn | \$27.69/nnn |
| 2014 4Q | 33 | 927,435 | 232,729 | 2,940 | 235,669 | 25.1% | 0.3% | 25.4% | 231,629 | 2,940 | 234,569 | 25.0% | 0.3% | 25.3% | \$27.42/nnn | \$24.00/nnn | \$27.36/nnn |
| 2014 3Q | 33 | 927,435 | 233,221 | 2,940 | 236,161 | 25.1% | 0.3% | 25.5% | 231,786 | 2,940 | 234,726 | 25.0% | 0.3% | 25.3% | \$27.46/nnn | \$24.00/nnn | \$27.40/nnn |
| 2014 2Q | 33 | 927,435 | 230,350 | 2,940 | 233,290 | 24.8% | 0.3% | 25.2% | 229,297 | 2,940 | 232,237 | 24.7% | 0.3% | 25.0% | \$27.34/nnn | \$24.00/nnn | \$27.28/nnn |
| 2014 1Q | 33 | 927,435 | 226,622 | 2,940 | 229,562 | 24.4% | 0.3% | 24.8% | 226,622 | 2,940 | 229,562 | 24.4% | 0.3% | 24.8% | \$24.00/nnn | \$24.00/nnn | \$24.00/nnn |
| 2013 4Q | 33 | 927,435 | 228,855 | 2,940 | 231,795 | 24.7% | 0.3% | 25.0% | 227,525 | 2,940 | 230,465 | 24.5% | 0.3% | 24.8% | \$23.35/nnn | \$24.00/nnn | \$23.38/nnn |
| 2013 3Q | 33 | 927,435 | 225,010 | 2,940 | 227,950 | 24.3% | 0.3% | 24.6% | 225,010 | 2,940 | 227,950 | 24.3% | 0.3% | 24.6% | \$23.44/nnn | \$24.00/nnn | \$23.46/nnn |
| 2013 2Q | 33 | 927,435 | 290,935 | 2,940 | 293,875 | 31.4% | 0.3% | 31.7% | 226,450 | 2,940 | 229,390 | 24.4% | 0.3% | 24.7% | \$27.26/nnn | \$24.00/nnn | \$27.08/nnn |
| 2013 1Q | 33 | 927,435 | 314,702 | 3,840 | 318,542 | 33.9% | 0.4% | 34.3% | 271,217 | 3,840 | 275,057 | 29.2% | 0.4% | 29.7% | \$27.02/nnn | \$22.37/nnn | \$26.72/nnn |
| 2012 4Q | 33 | 927,435 | 305,695 | 0 | 305,695 | 33.0% | 0.0% | 33.0% | 305,695 | 0 | 305,695 | 33.0% | 0.0% | 33.0% | \$24.03/nnn | - | \$24.03/nnn |
| 2012 3Q | 33 | 927,435 | 315,904 | 0 | 315,904 | 34.1% | 0.0% | 34.1% | 313,788 | 0 | 313,788 | 33.8% | 0.0% | 33.8% | \$23.96/nnn | - | \$23.96/nnn |
| 2012 2Q | 33 | 927,435 | 317,893 | 0 | 317,893 | 34.3% | 0.0% | 34.3% | 317,893 | 0 | 317,893 | 34.3% | 0.0% | 34.3% | \$24.05/nnn | - | \$24.05/nnn |