



## Investment Summary of the Washington Tech Center

### EXECUTION OF INVESTMENT PLAN

At the time of purchase, the four tax parcel and 13 building portfolio was 61% occupied. The purchase price per square foot for the 201,000 square foot portfolio was approximately \$95 per square foot.

The strategy for maximum return to the investors revolved around our belief that the parts were more valuable than the whole. At the time of purchase the property was not being marketed aggressively and the maintenance and management practices had deteriorated and degraded the reputation of the property in the marketplace. These factors led to the above market vacancy. An aggressive asset management plan was implemented to bring the property condition above the standards of the market and competition. A new marketing team was hired and an aggressive marketing campaign was implemented.

Within the first year of ownership, we successfully applied for and completed a lot line adjustment that allowed us to isolate a 27,000 square foot vacant building on an individual tax lot. Prior to final approval of the lot line adjustment, the building was under contract to an owner/user. Subsequent to the approval the sale closed for a 20% profit over purchase price.

Based upon the strong demand for smaller owner/user buildings, we identified that we could complete a short plat and be in a position to sell two 10,000 square foot buildings for a premium. We worked with the City of Renton to complete the short plat within a six month time frame. The individual buildings were marketed during the City review and approval process. Both properties were sold to owner/users at premium pricing shortly after obtaining final short plat approval.

The remaining 10 buildings were sold to an institutional investor for, \$21,000,000, or \$135 per square foot in June 2007.



#### Investment Summary

Purchase Price:	\$19.270 M
Aggregate Sale Price:	\$27.215 M
Square Feet:	200,961
Purchase Date :	June 2004
Disposition Date:	May 2007
Equity Investment:	\$8,475,000
IRR:	20.8%
IRR to Investors:	19.8%
Seller:	Unico
Purchasers:	Embarcadero Capital Partners, King County Community Health, Private Investors.

#### Renton, Washington



#### Loan Summary

Lender	: Jackson National Life Insurance Co
Loan Amount	: \$11,840M
Term	: 5 years
Amortization	: 25 years
Interest rate	: 90-day LIBOR + 250 basis points