



200
SOUTH
TRYON



CONFIDENTIAL OFFERING MEMORANDUM



Cushman & Wakefield
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THIS IS A CONFIDENTIAL MEMORANDUM intended solely for your limited use to determine whether you wish to express an interest in *200 South Tryon Street*, located in Charlotte, NC, as more particularly described herein (“Property”).

This confidential memorandum contains brief, selected information pertaining to the business affairs of the Property's owner (“Owner”) and has been prepared by Cushman & Wakefield., (“C&W”), the Owner's exclusive agent, primarily from information supplied by the Owner. Although representatives of the Owner have reviewed this confidential memorandum, it does not purport to be all-inclusive or contain all of the information that a potential investor may desire. Neither the Owner, nor any of its members, officers, directors, employees or agents, nor C&W make any representation or warranty, expressed or implied, as to the accuracy or completeness of any of the information contained herein. Each of the Owner and C&W disclaims any liability which may be based on such information, errors therein, or omissions therefrom. All financial data contained herein is unaudited. The projections and proforma information contained herein represent estimates based on assumptions considered reasonable under the circumstances. No representations or warranties, expressed or implied, are made that the actual results will conform to such projections. There is no representation as to environmental conditions of the Property, or as to any other aspect of the Property.

By your receipt of this confidential memorandum, you agree that this memorandum and the information contained herein, as well as any information C&W may subsequently provide you in connection with the development of the Property, are of a confidential nature and that you will hold and treat them in the strictest of confidence, and that you will not, directly or indirectly, disclose or permit anyone else to disclose this memorandum or any part of the contents in any fashion or manner detrimental to the interests of the Owner. Notwithstanding, in preparing responses to this Offering Memorandum, the recipient may disclose information contained herein to investors, advisors, consultants and industry professionals retained by the recipient to the extent necessary to secure their services, upon the condition that the recipient requires such parties to maintain the confidentiality of this information. Upon request, the recipient will promptly return this confidential memorandum and any other material received from the Owner or C&W without retaining any copies thereof.

This confidential memorandum shall not be deemed an indication of the state of affairs of the Owner or constitute an indication that there has been no change in the business or affairs of the Owner since the date of preparation of this memorandum. Neither the Owner nor C&W undertakes any obligation to provide additional information or to correct or update any of the information contained in this confidential memorandum.



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SEAFOOD & STEAKS

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200 SOUTH TRYON

EXCLUSIVELY OFFERED BY:

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TRANSACTION GUIDELINES

In addition to the limitations outlined herein, the Owner reserves the right to accept or reject any offer at any time and to extend the date for submissions of offers for any reason at its sole discretion.

DUE DILIGENCE

Your acceptance of the Confidentiality Agreement provides you access to the online document center which contains Broker prepared materials and an organized virtual deal room ("VDR") containing all due diligence materials provided by Owner including leases, financial statements and third party reports. A detailed due diligence catalog will be posted for your convenience. Please note that certain documents were generated by prior ownerships and are provided for informational purposes only. Owner does not represent the accuracy of these documents. If you have difficulty accessing this information, please contact Caroline Cheek at Caroline.Cheek@cushwake.com or 704-887-3025 or Tristan Tams at TristanT@ten-x.com or 949-699-3215.

Please visit www.Ten-X.com for access to the VDR and marketing updates.

SITE TOURS AND PROPERTY INSPECTION

No Investor shall contact any tenant of the Property without the authorization of the Owner or Broker. Please contact Cushman & Wakefield to arrange a formal site inspection.

CALL FOR INDICATIVE BIDS

We are requesting investors submit their indicative bids by 5:00 p.m. (EST) on **Wednesday July 26, 2017**. To expedite the review of the bids and selection of the best & final group, bids will be submitted on the Letter of Intent Form which will be distributed prior to the bid date ("LOI").

Your indicative bid should be delivered to Cushman & Wakefield, attention by email to: Rob.Cochran@cushwake.com or Jared.Londry@cushwake.com.

BEST & FINAL

A select group of investors will be invited to participate in the Best & Final bid which is being conducted via an on-line auction process on Ten-X.com. The final auction is set for **August 9, 2017**. This will be a reserve auction and the Property will have a reserve price ("Reserve Price") meaning Owner can accept or reject any bid up to and an unpublished, minimum selling price.

CLOSING

A 30-day period for closing will be afforded post best & final auction to finalize loan documents.

CONTACT INFORMATION

For further information or to arrange a site inspection, please contact the team below:

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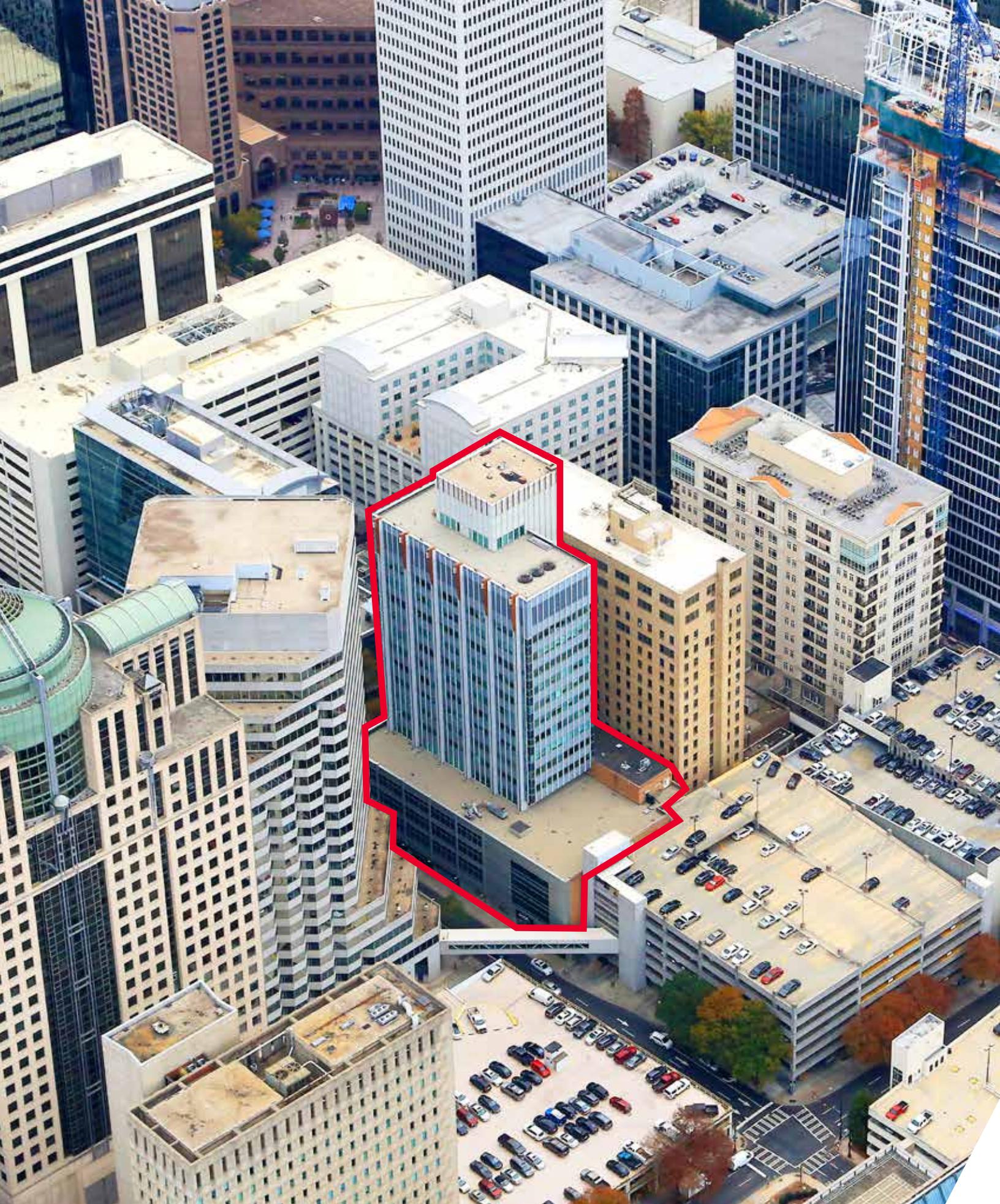




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EXECUTIVE SUMMARY

Cushman & Wakefield's Capital Markets Group, in conjunction with Ten-X, is pleased to offer for sale 200 South Tryon Street ("the Offering"), a 215,101 rentable square foot, 17-story office building that is 85% leased and has undergone significant renovations. The centrally located CBD building is one block from Charlotte's notable center city intersection of Trade and Tryon and sits along burgeoning South Tryon Street. The building offers an updated lobby and street level retail on the ground floor with McCormick & Schmick's, Hazelnuts Creperie Café, and a dentist office. It features ±25,000 square foot floor plates on floors 1-4, ±10,000 square foot floor plates on floor 5-17, and two lower level floors which contain additional office space, storage units, and the mechanical room. The attached parking garage provides 95 designated parking spaces to the building through an easement.

200 South Tryon is situated among Charlotte's professional sports teams, museums and performing arts centers, restaurants and retail, and the region's trophy office towers. There are two Lynx Blue Line light rail stations located within two blocks, a Lynx Gold Line streetcar stop one block from the building, several CATS bus stops surrounding the building, and unmatched ingress and egress for commuters driving in on 4th Street and heading home on 3rd Street, both of which provide access to I-77, I-277, and Providence Road.

Originally built in 1962 as the headquarters of NCNB, Bank of America's predecessor, 200 South Tryon underwent a renovation in 2001 that included removal of the exterior granite curtain wall on floors two through four, replacement of the curtain wall with a combination of metal and glass, cleaning and painting of the remaining exterior, and a complete gutting and renovation of all interior spaces. Since 2013, the current owner has spent nearly two million dollars in building and system improvements.

200 South Tryon offers investors a remarkable opportunity to acquire an office position in thriving Uptown Charlotte with a prominent South Tryon Street address, an attractive rent roll, and updated, modern systems. Opportunities to enhance value at 200 South Tryon include achieving market rental rates, modernization of several upper floor lobbies, corridors, and bathrooms, and more complex renovations such as activating the lower level with retail and adding fifth floor rooftop amenities.



ASSET SUMMARY

Address	200 South Tryon Street, Charlotte, NC, 28202
Year Built	1962
Year Renovated	2001
Total Building Area	215,101 RSF
Site Area	0.65 Acres
Percent Leased	±85%
Major Tenants	TownSquare Media (24% of building) Kimley Horn (11% of building) The North Highland Group (6% of building)
Parking	Easement for 95 spaces in the adjacent First Citizens parking deck
Year 1 In-Place NOI	\$2,222,290
Year 5 NOI	\$3,548,151

INVESTMENT HIGHLIGHTS

Prominent South Tryon Location

200 South Tryon's central location along the flourishing South Tryon corridor offers superb access to all of Uptown Charlotte's favorite amenities, and is within one block of Charlotte's center city intersection of Trade and Tryon. Situated between Charlotte's big three employers (Bank of America, Wells Fargo, and Duke Energy), this section of South Tryon has one of the highest volumes of foot traffic on Tryon Street with active street level retail, hotels, multifamily, and best in class office space:



227 restaurants within walking distance in Uptown



More than \$1 billion in development, under construction, or in planning in Center City Charlotte



Surrounded by an abundance of entertainment and attraction venues including Charlotte's three major sports teams (the Carolina Panthers, Charlotte Hornets, and Charlotte Knights baseball team) several museums, and performing arts venues



Walking distance to all public transit

- » Two blocks from two light rail stations, CTC Station and 3rd/Convention Center Station
- » One block from the Tryon Street Streetcar station
- » Adjacent to several bus stops



Steps from Romare Bearden Park, the heart of Third Ward, featuring two gardens, a courtyard of dining tables, a formal event green field, a play area, and several waterfall features



South Tryon Building Entrance



Romare Bearden Park



Epicenter

INVESTMENT HIGHLIGHTS

200 S. TRYON BEST POSITIONED ASSET IN THE HEART OF UPTOWN





200 S. Tryon is Located in the Heart of Uptown:

- » **1 Block** from the City Center (Trade & Tryon)
- » **2 Blocks** from the Charlotte Transportation Center

INVESTMENT HIGHLIGHTS

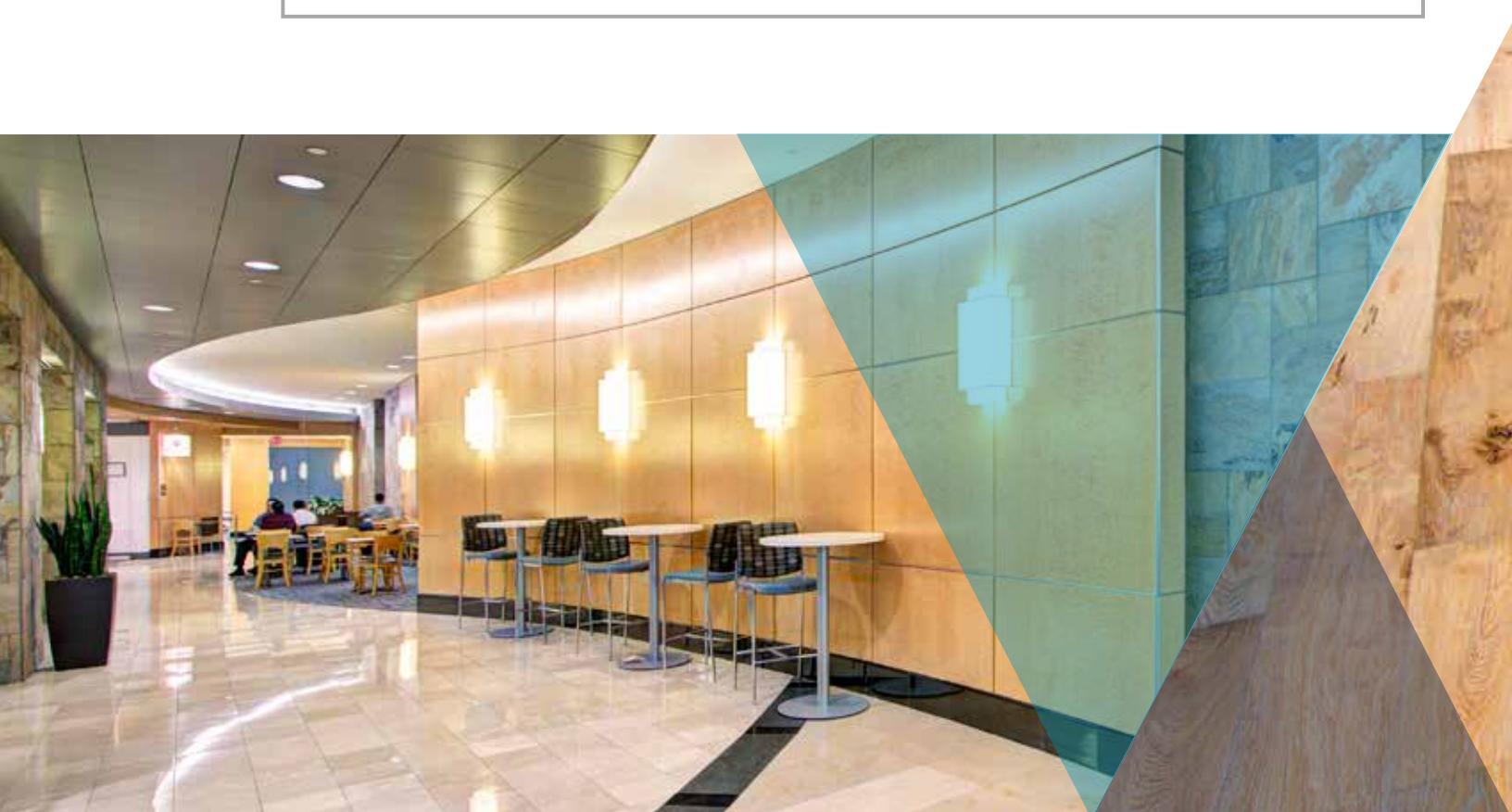
Modern Accommodations and Flexible Floorplates



200 South Tryon offers large and small floor plate options with **floors 1-4 featuring ±25,000 square foot floor plates** and **floors 5-17 featuring 10,220 square foot floor plates**

- » The larger floorplates cater to modern users that seek collaboration and contiguous space across a single, larger floor. Tenants such as Kimley-Horn and Townsquare Media selected the lower floors to accommodate their millennial-centric employee base.
- » The upper floors offer midsize tenants a real identity in the Charlotte market with a commanding presence off the elevator and abundant glass providing views of the entire city.

Both the lower and upper floorplates benefit from a virtually **column-free work area** and expansive window lines that parallel new construction and provides abundant natural light to the interior workspaces.





**EXECUTIVE
SUMMARY**

**PROPERTY
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**LOCATION
OVERVIEW**

**MARKET
OVERVIEW**

**TENANT
OVERVIEW**

**FINANCIAL
ANALYSIS**

INVESTMENT HIGHLIGHTS

Value-Enhancement Proposition



- » **Additional modernization work to the lobby, common corridors, and restrooms** would raise the profile of the asset and allow for dramatically higher rents
- » **Create a roof-top terrace and amenity deck on the fifth floor** that would further boost the building's perception in the market and offer tenants an outdoor amenity area that is highly desired, yet rare, in the Charlotte market
- » **Reposition the lower level** by converting the former bank vault and office space to an eclectic restaurant or creative retail space
- » Potential to **re-measure floors 7, 8, 10, and 15** upon lease expirations could unlock additional square footage and supplementary rental income

Reposition the lower level





Create roof-top terrace & amenity deck



INVESTMENT HIGHLIGHTS

Mark to Market

- Upper stack (floors 5-17) in-place rates are **23%** below market
- All upper stack tenants, except Charlotte Center City Partners, have lease expirations during the next five years, representing **37%** of the building

AVERAGE IN-PLACE RENT	MARKET	% BELOW MARKET	
\$24.04	\$27.00	12%	17th Floor
			Mechanical
\$21.90	\$27.00	23%	16th Floor
\$22.66	\$27.00	19%	15th Floor
\$19.40	\$27.00	39%	14th Floor
\$22.38	\$27.00	21%	12th Floor
\$24.33	\$27.00	11%	11th Floor
\$21.64	\$27.00	25%	10th Floor
\$21.46	\$27.00	26%	9th Floor
\$21.91	\$27.00	23%	8th Floor
\$23.22	\$27.00	16%	7th Floor
	VACANT		6th Floor
\$22.46	\$27.00	20%	5th Floor
\$20.50 ⁽¹⁾	\$22.00	8%	4th Floor
\$20.50 ⁽¹⁾	\$22.00	8%	3rd Floor
\$17.51 ⁽²⁾	\$22.00	26%	2nd Floor
\$33.15	\$38.03 ⁽³⁾	15%	1st Floor

(1) Rate includes income support

(2) Tenant is currently paying on only 20,000 SF of space until Jan-18. Effective rate through Jan-2018 is \$15.56 PSF

(3) Represents blended retail market rate



INVESTMENT HIGHLIGHTS

Thriving Center City Charlotte

Charlotte is one of the fastest growing cities in the United States with an average of **109 people moving to the MSA daily** during the past five years.

As an employment destination, Charlotte has become a millennial magnet and the young-adult population grew by over 30% between 2005 and 2015.

Growth Since 2004

*Actual deliveries

OFFICE

25%

RETAIL

121%

RESIDENTIAL

180%

“The city continues to grow more vibrant. New institutions move in, new buildings rise, old structures embrace renewal - all with the goal of making Charlotte a cultural touchstone and urban icon for the state.”

- *Southern Living*



INVESTMENT HIGHLIGHTS

Stable Rent Roll with Diverse Industry Mix

No single industry dominates 200 South Tryon, and the building is home to a diverse tenant roster featuring finance, healthcare, real estate, information technology, engineering, and marketing firms.

The anchor tenant, Townsquare Media, occupies nearly 25% of the building with 9 years of remaining term.

Full floor users include:

TENANT	FLOOR(S)	SQUARE FEET	% OF BUILDING
Townsquare Media	3 & 4	51,288	24%
Kimley Horn	2	22,500	10%
The North Highland Company	10	13,717	6%
Mythic	9	10,220	5%
Charlotte Center City Partners	16	10,220	5%
Inmediata Corp	12	10,220	5%
ColeJenest & Stone	14	10,220	5%
Total		128,385	60%





INVESTMENT HIGHLIGHTS

Major Renovations and Capital Projects Recently Completed

ITEM	AMOUNT	YEAR
Common Area and Restroom Renovations (Floors 1, 2, 5, 8, 9, 10 - Corridor Only, and 15)	\$829,000	2013
Chiller Replacement	\$609,000	2014
Domestic Water Booster Pump Replacement	\$124,000	2014
Elevator Systems Upgrade	\$159,000	2014
Central Plant & AHU DDC Controls Upgrade	\$52,000	2015
Exterior & Interior Common Area LED Lighting Retrofit	\$221,000	2016
Total	\$1,994,000	



Highly Liquid Asset

200 South Tryon is a perfectly sized investment for the Charlotte market, as it attracts several buyer types.

The mix of uses and active street level retail align well with investor demand compared to many of the large lobby, single use buildings in CBD Charlotte.

Charlotte continues to thrive and is considered a top tier alternative to some of the higher priced primary markets.



PROPERTY OVERVIEW

Address	200 S Tryon Street, Charlotte, NC 28202
Parcel ID	07301611
Site Area	.65 acres; 28,314 Sq. Ft.
Architect	Walter Hook & Associates
Zoning	UMUD - Uptown Mixed Use District
Year Built	1962 / Renovated 2001
Stories	Seventeen (17) above grade
Building Size (RSF)	215,101
Building Core Factor	Single Tenant Floors - 19.5% Multi Tenant Floors - 10.6%
Typical Ceiling Height	9 feet
Parking	95 spaces by easement in the adjacent First Citizens Parking Deck
Lobby	Stone walls and tile floors, solid drywall and metal panel ceilings, wood and fabric wall panels
Foundation/Structure	Reinforced concrete / Fire proofed steel frame
Exterior Walls	The street level exterior is a combination of blue stone column cover panels and glass curtain wall. The curtain wall on floors 2-4 was replaced with a combination of metal and glass in 2001 and the upper level exterior walls were cleaned and painted in 2001. Floors 6 - 17 have original windows.
Roofing	The roof of the podium portion was replaced during the 2001 renovation and feature a single ply EPDM, rubber roof system. The tower and penthouse roof system were replaced in 2003 with a single ply EPDM roofing system and has a 15 year assignable warranty expiring in 2018.
Elevators	There are seven (7) Otis elevators in the building, five (5) passenger elevators that have upgraded dispatching systems, one (1) freight elevator that services floors LL2 - 4 with original dispatching systems and one (1) elevator with the original dispatching system that services floors LL1-4.
HVAC	Two centrifugal chillers: one (1) Carrier XR19 400 ton installed in 2001 and one (1) Daikin 400 ton magnetic bearing chiller installed in 2014. Two (2) BAC cooling towers installed in 2001, six (6) base building fan coil air handlers original to the building that have Variable Frequency Drives on the supply and return fan motors. The supply fans distribute air to the tenant floors through main trunk risers and constant volume air boxes. Typically 10 boxes on 10,000 SF floors and 14 boxes on the 25,000 SF floors.



Electric	Duke Energy Transformers supply 480 volt 3 phase power that is distributed to the Westinghouse switchgear and buss duct riser where it is divided by transformers to high voltage electric panels and low voltage panels to supply 2 watts per sq. ft of high voltage and low voltage. High voltage panels supply VAV boxes and lighting and low voltage panels supply tenant furniture and computer equipment. There is a 500 KW emergency power generator that was installed in 2001 that supplies power to the fire pump, fire alarm system, elevators, and emergency lighting.
Interior Lighting	Interior lighting is a combination of 2 x 4 three (3) bulb T-8 18 cell parabolic fixtures in tenant spaces, 2 x 4 LED fixtures in common areas along with retrofitted LED recessed fixtures.
Water & Plumbing	Domestic water pump booster system was installed in 2014 and is rated for 180 gpm at 197 PSI. Hot water is supplied to the building by two water heaters, one on the lower level and one on the mechanical floor. The plumbing piping is copper.
Life Safety	Notifier addressable fire alarm panel installed in 2001 for fire detection and an electric fire pump supplies water to the fully fire sprinklered building. There is also a three (3) head fire department hose connection in the alley way.
Access Control	Tru Portal access control system located at the security desk in the main lobby for all base building exterior doors with room to expand to allow for tenant to use the system for their space. There is a DVD camera system that records all entrance areas of the building that is monitored by the 24 x 7 security officer.
Walls & Partitions	Metal stud and 5/8" drywall
Ceiling & System Elements	2' x 2' suspended ceiling tile & grid and solid drywall

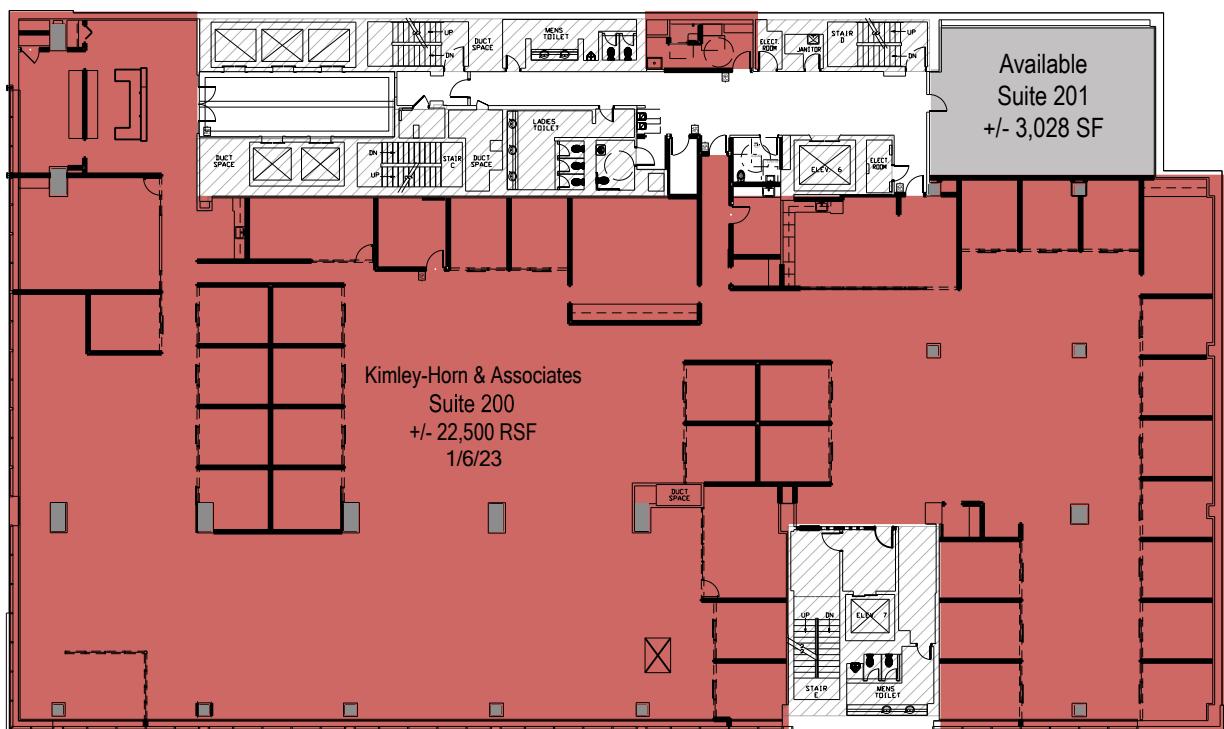
PROPERTY OVERVIEW

FLOOR PLANS

FIRST FLOOR

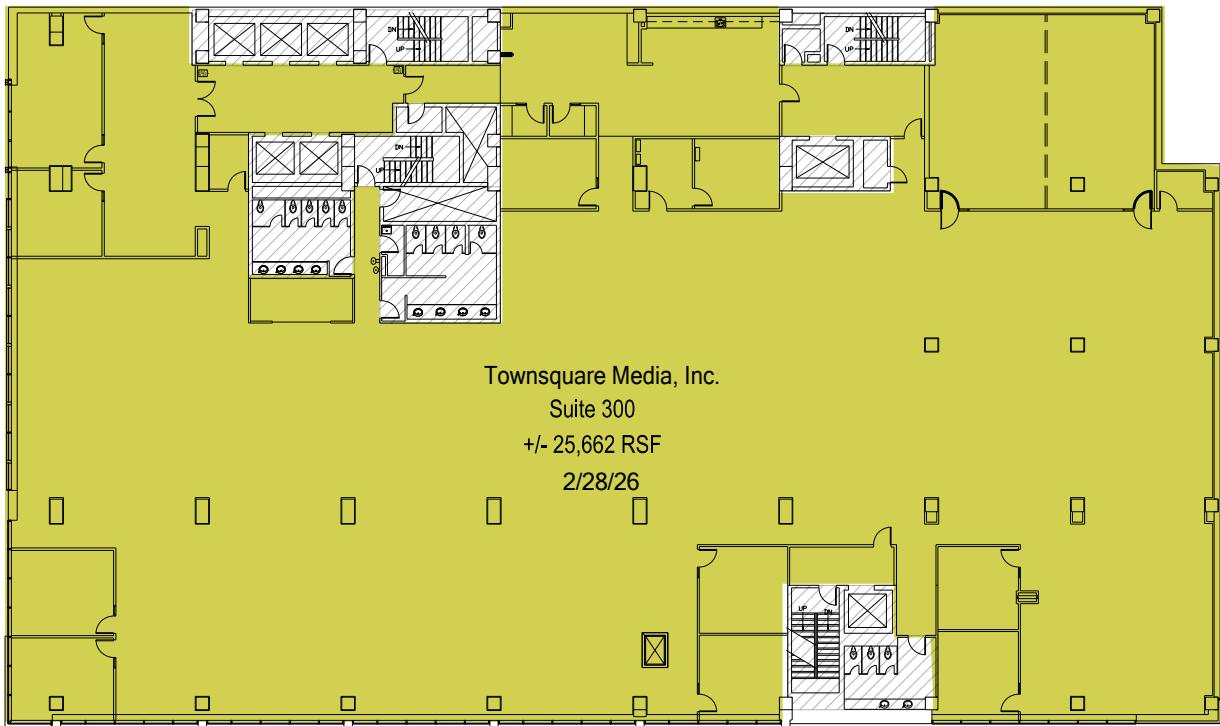


SECOND FLOOR

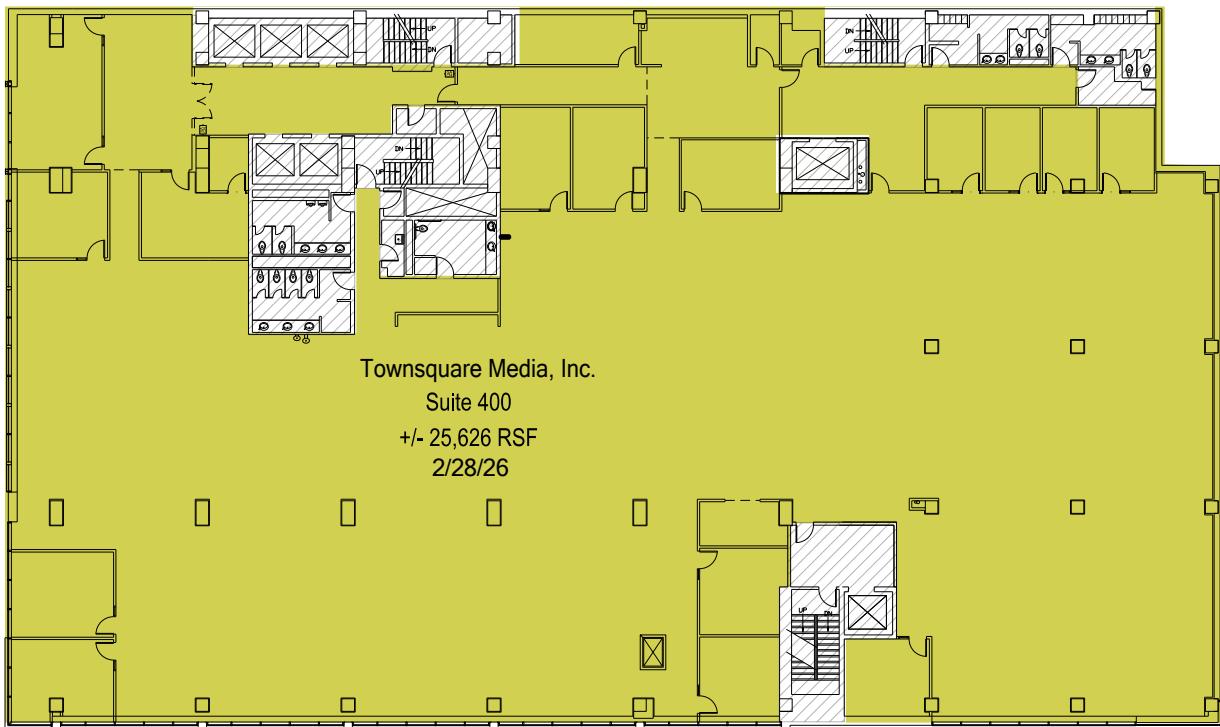


FLOOR PLANS

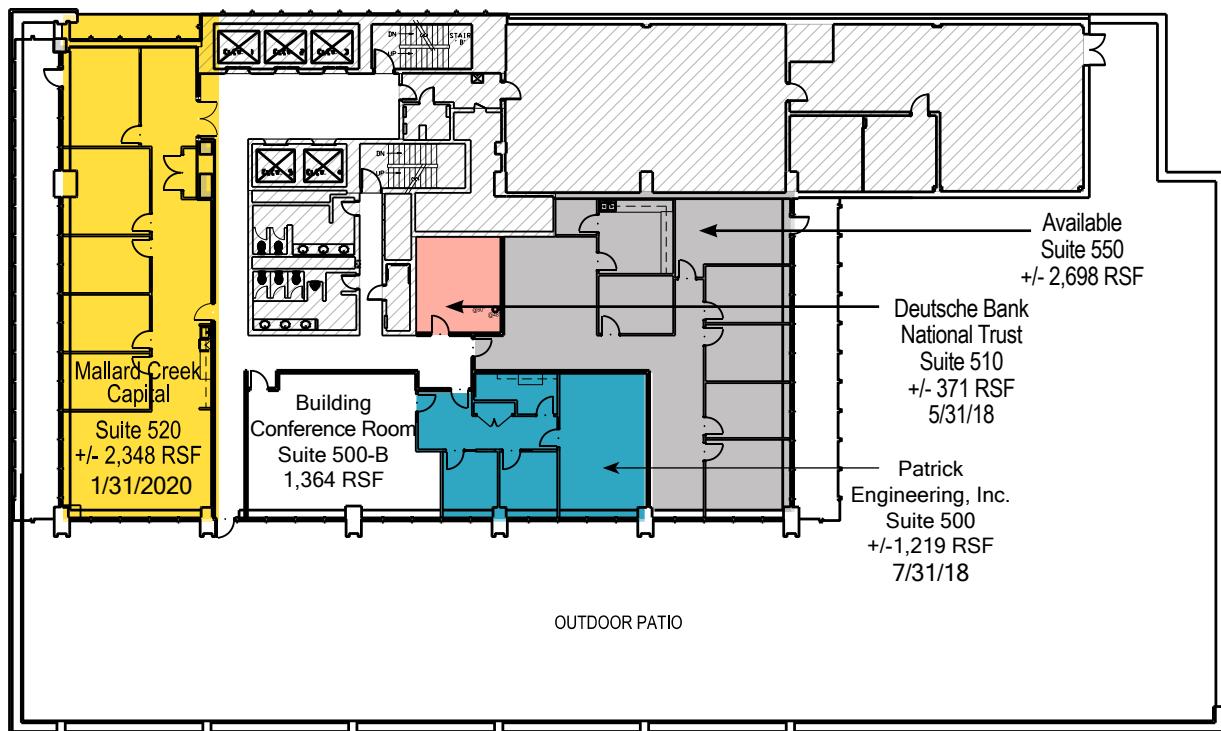
THIRD FLOOR



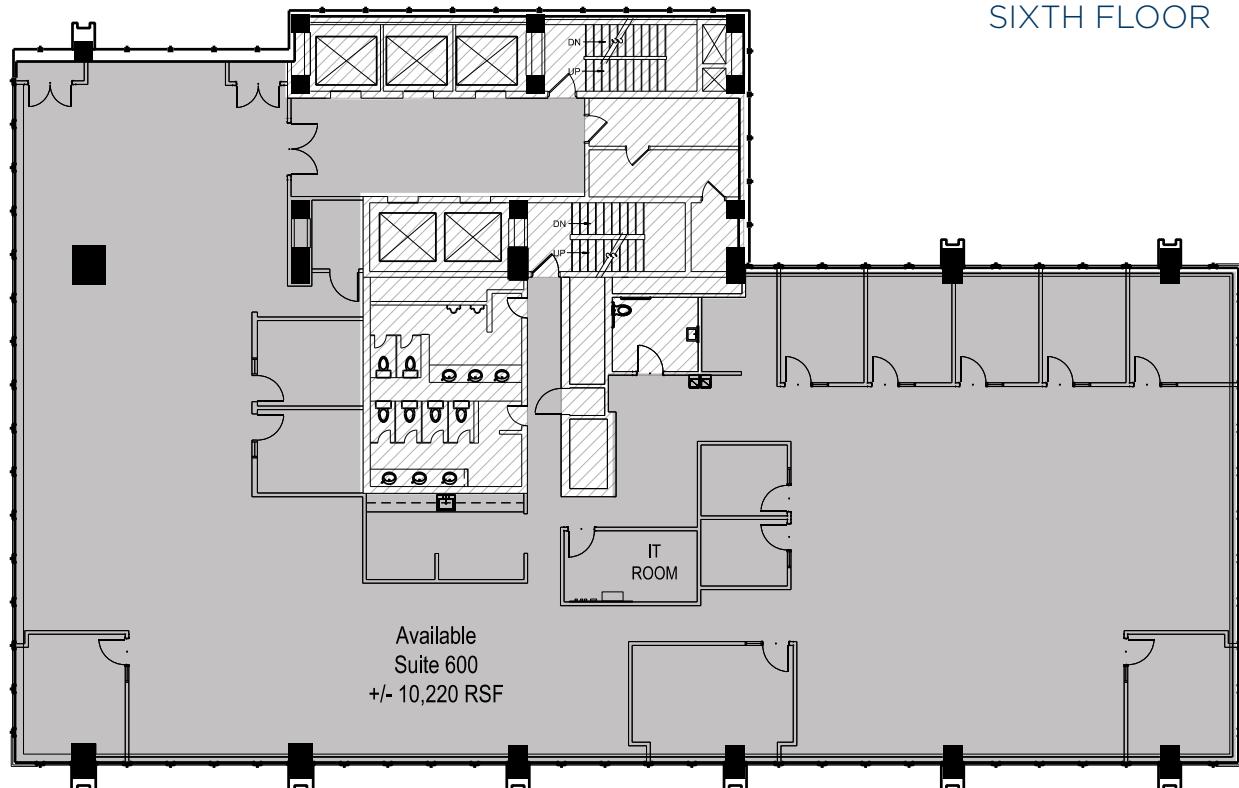
FOURTH FLOOR



FIFTH FLOOR

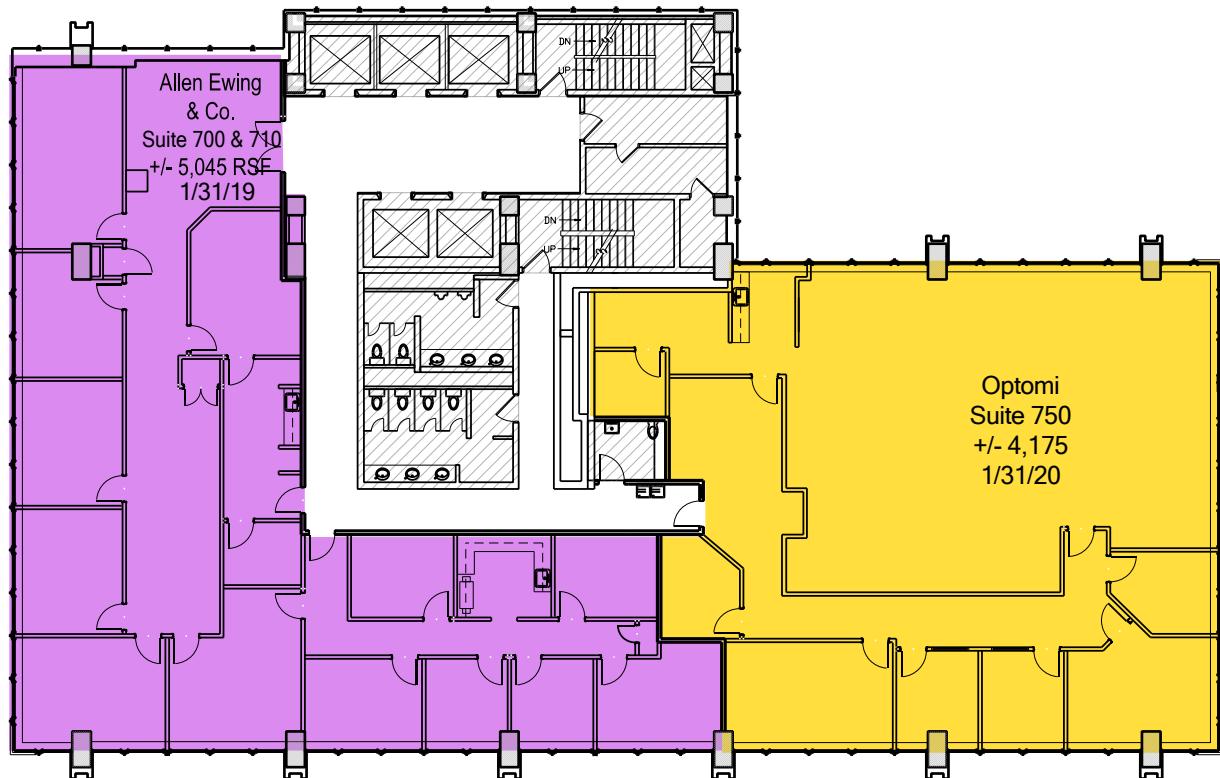


SIXTH FLOOR

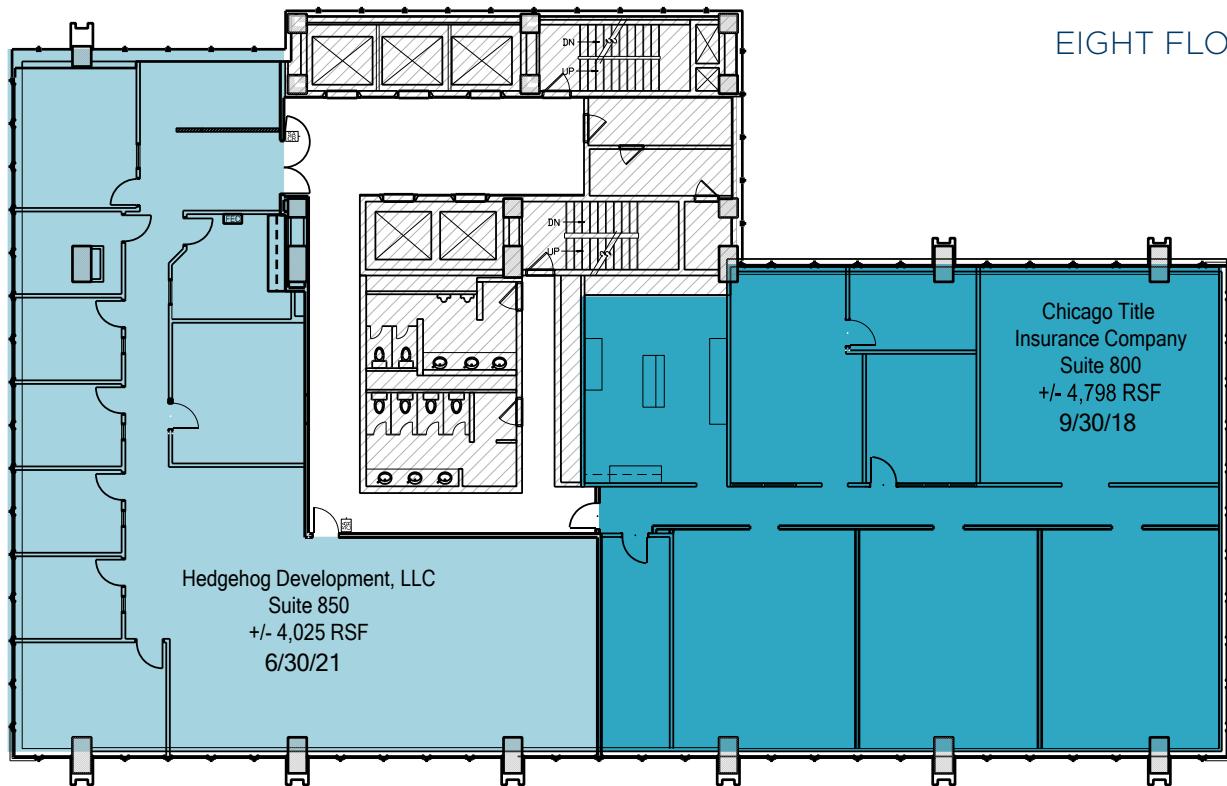


FLOOR PLANS

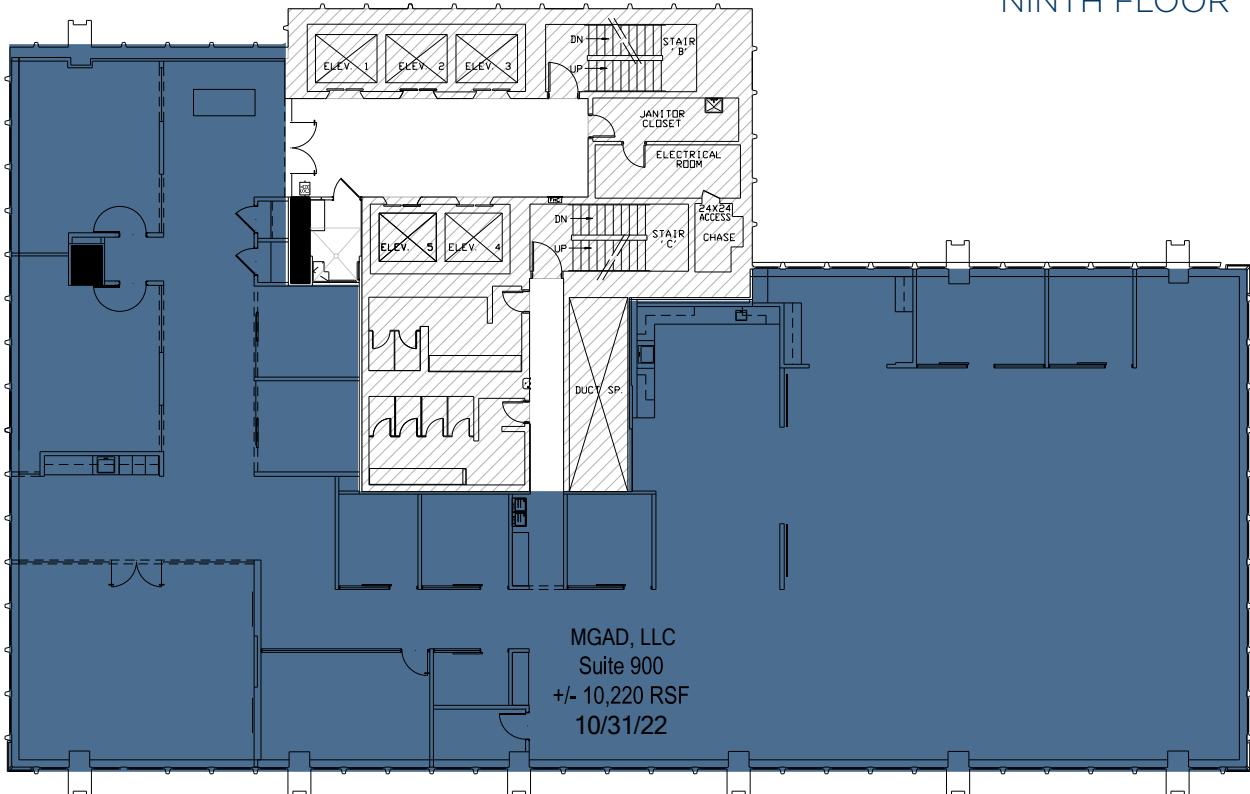
SEVENTH FLOOR



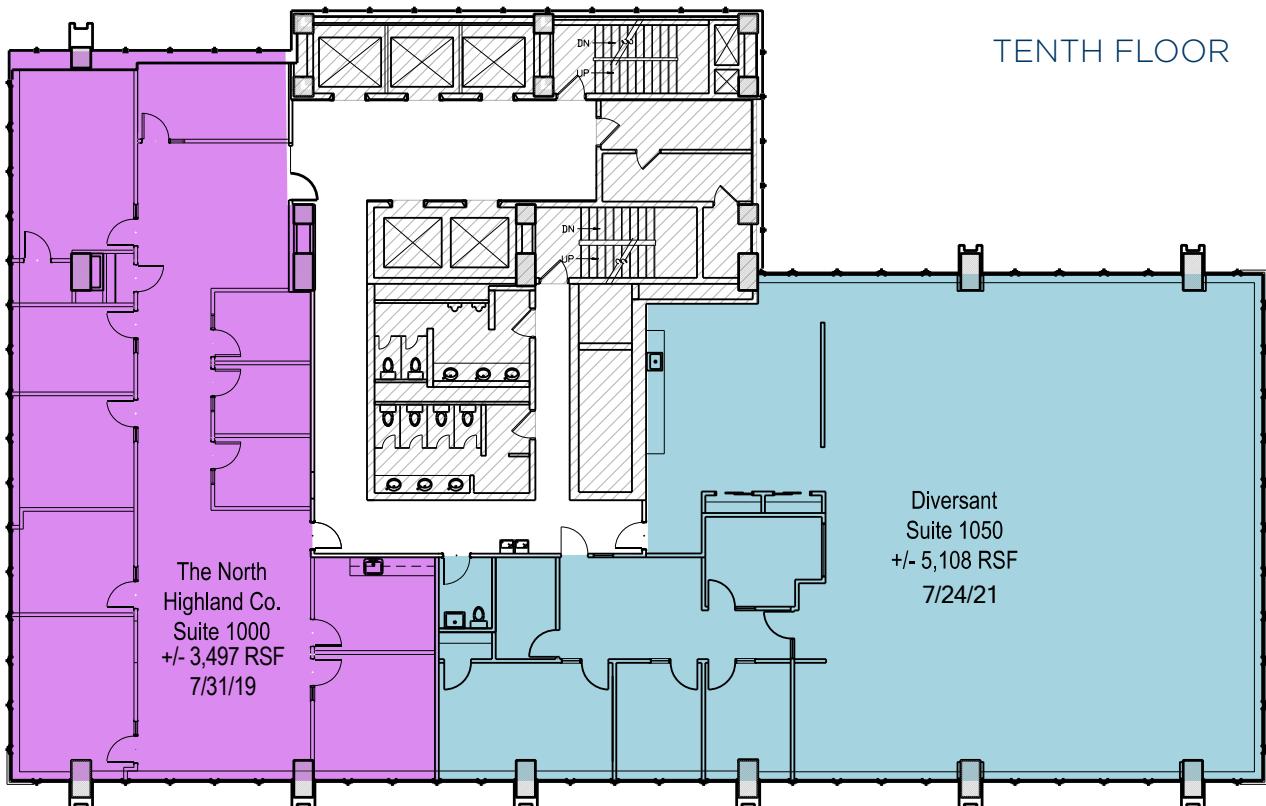
EIGHT FLOOR



NINTH FLOOR



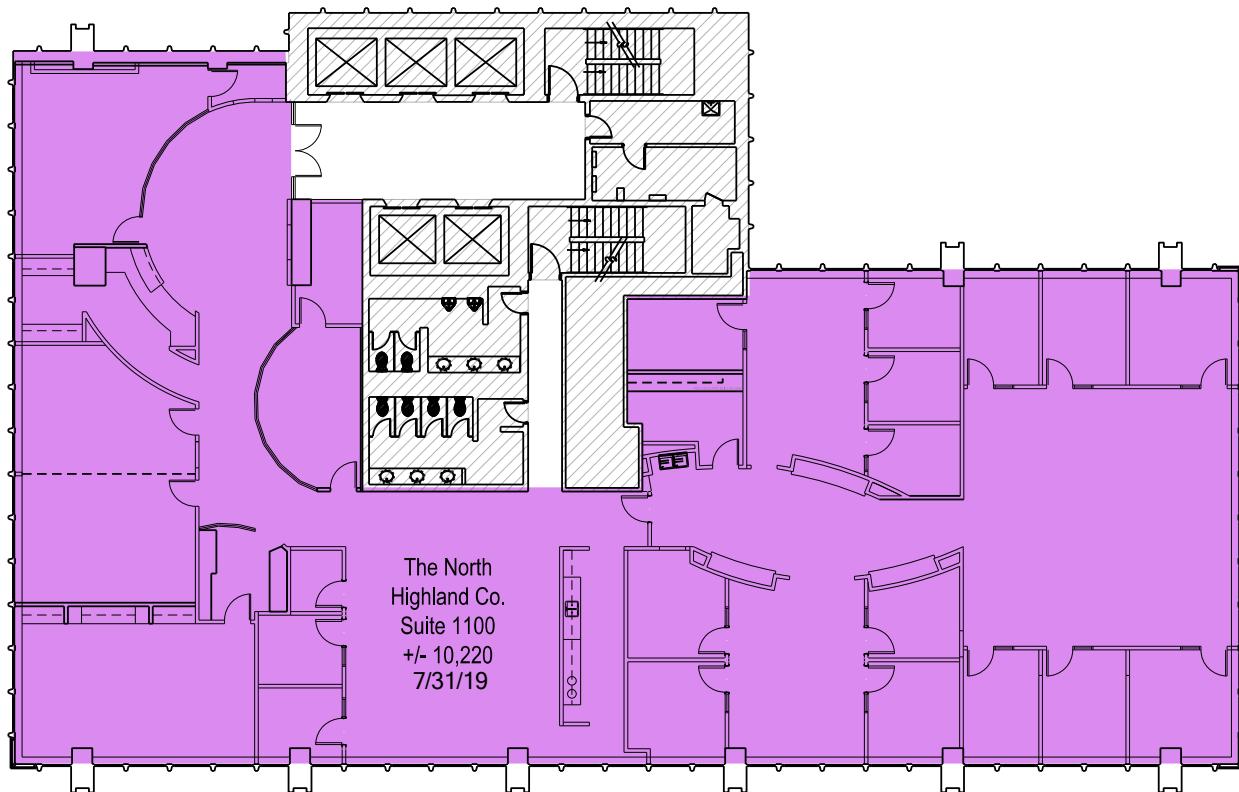
TENTH FLOOR



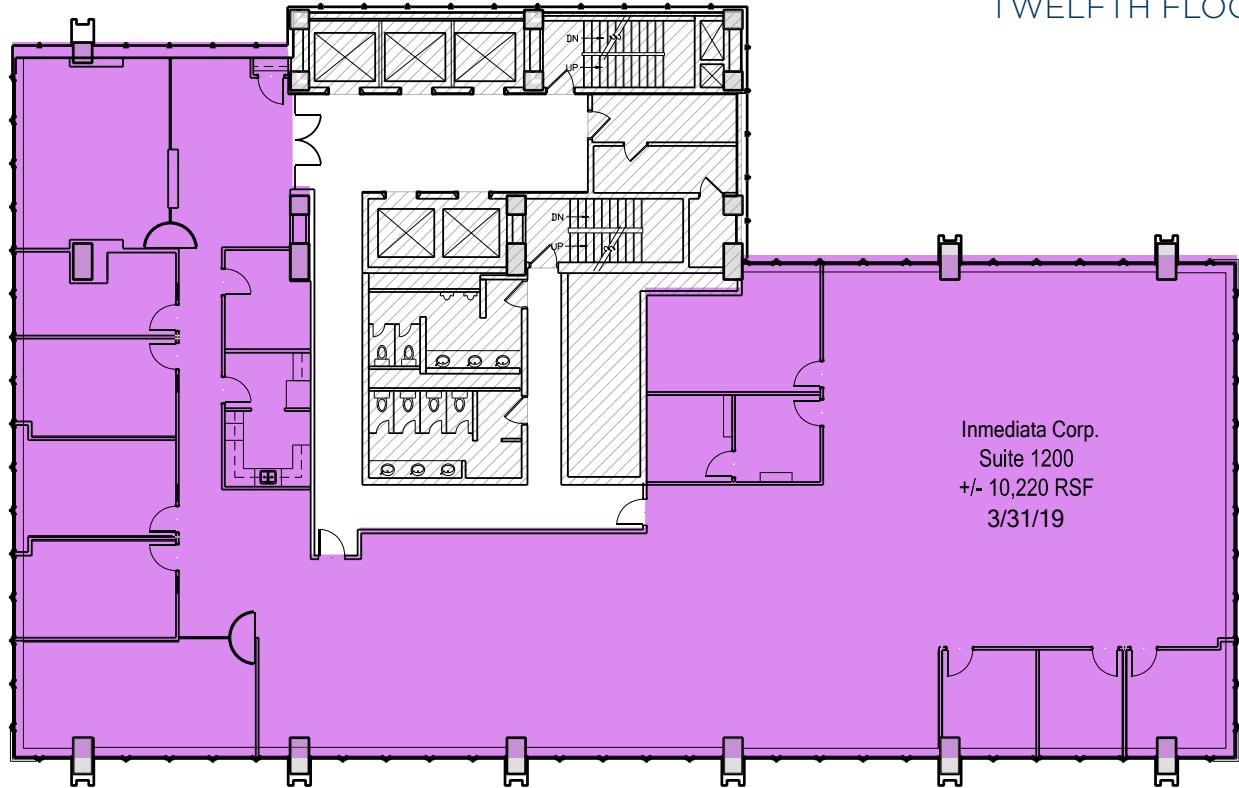
2022 2023 2026 2028 VACANT

FLOOR PLANS

ELEVENTH FLOOR

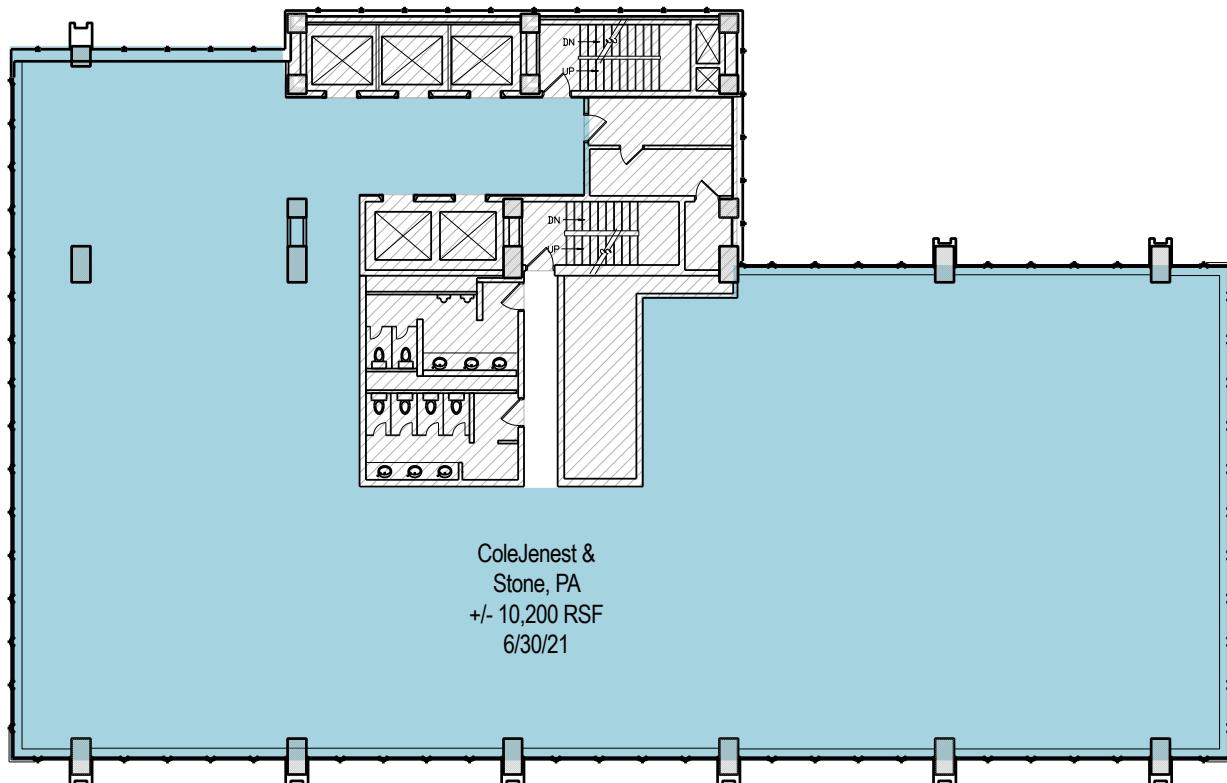


TWELFTH FLOOR



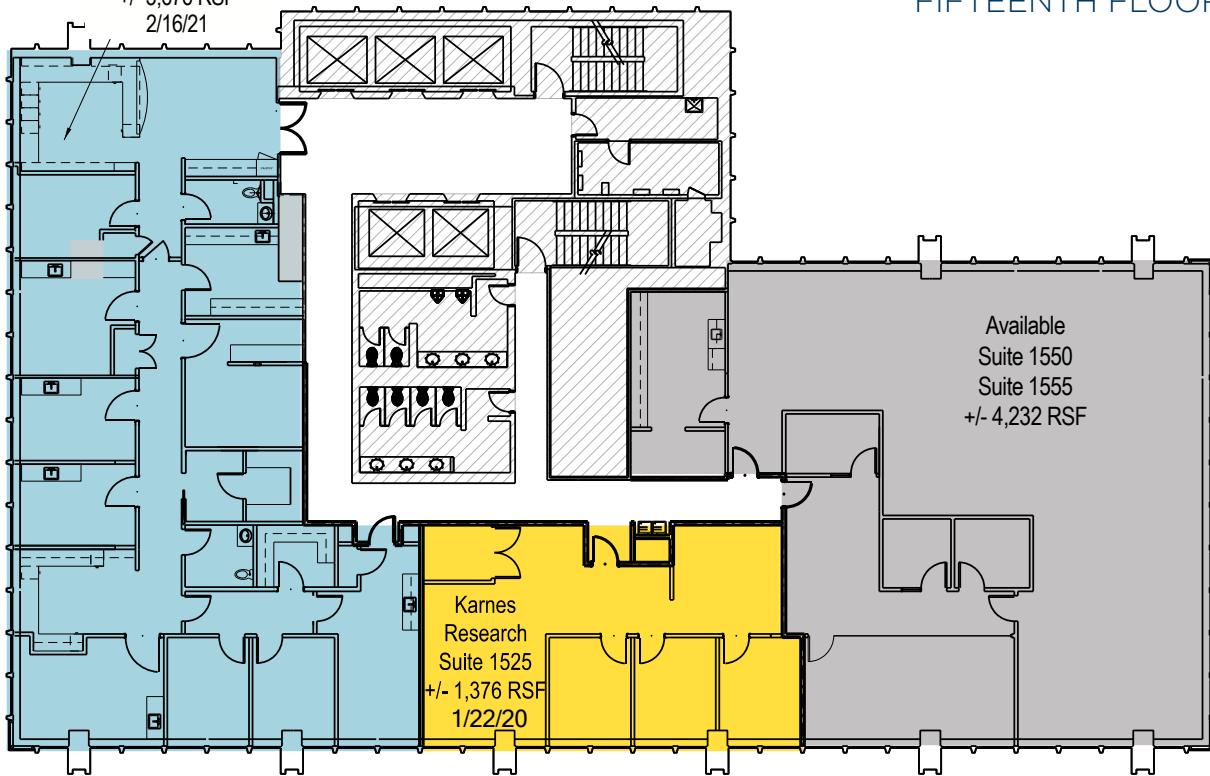
2017 2018 2019 2020 2021

FOURTEENTH FLOOR



Signature Healthcare
Suite 1500
+/- 3,676 RSF
2/16/21

FIFTEENTH FLOOR



2022

2023

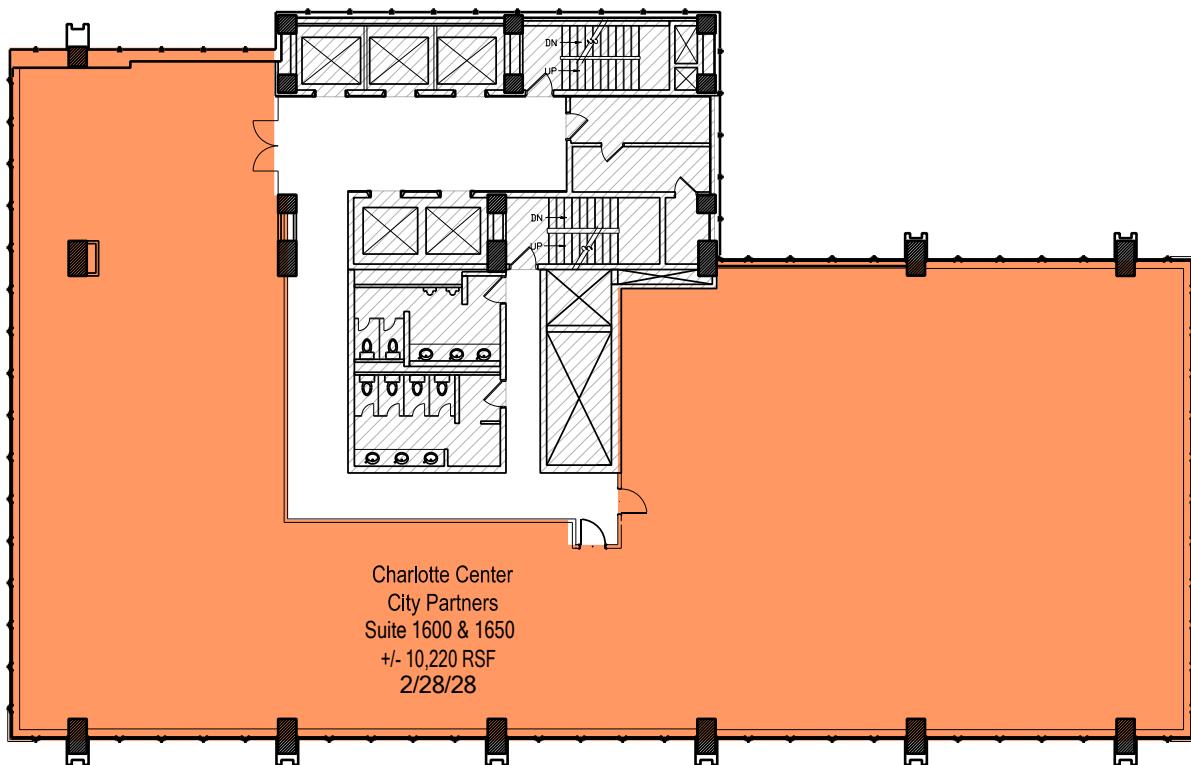
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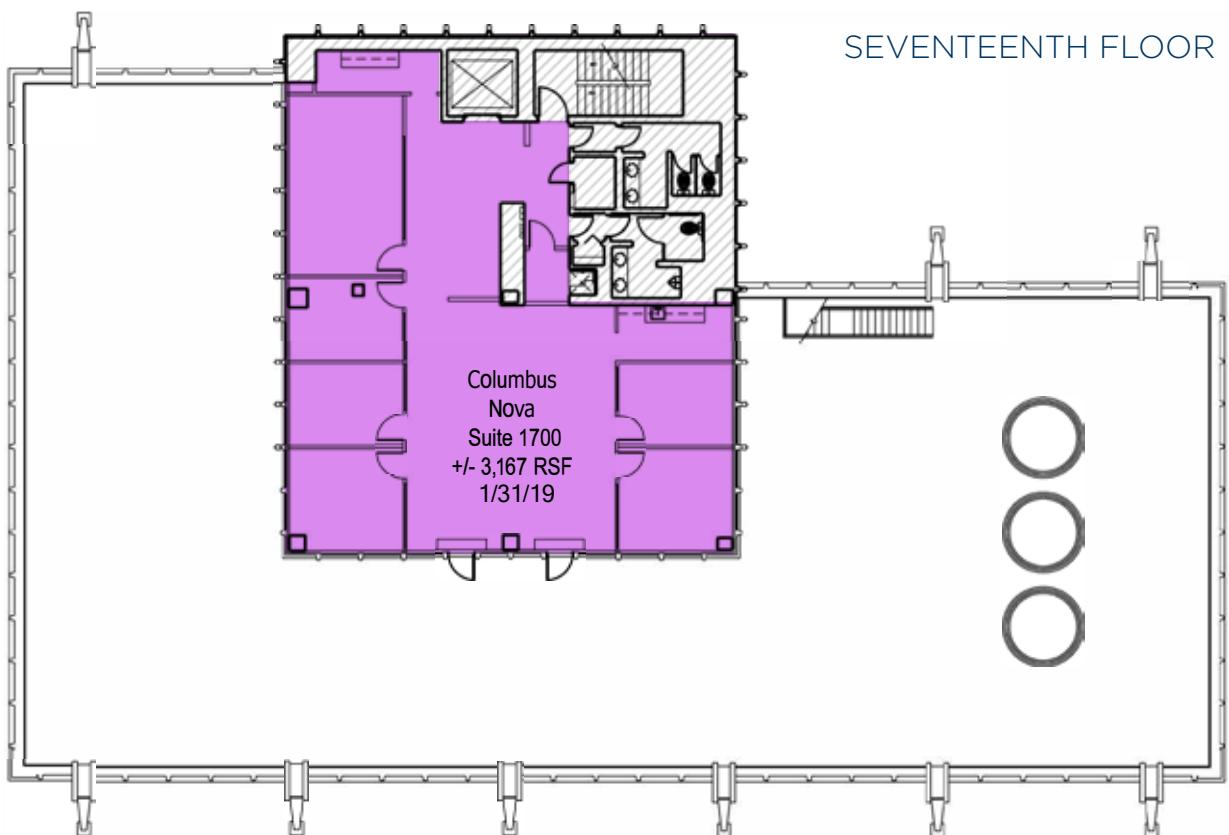
VACANT

FLOOR PLANS

SIXTEENTH FLOOR

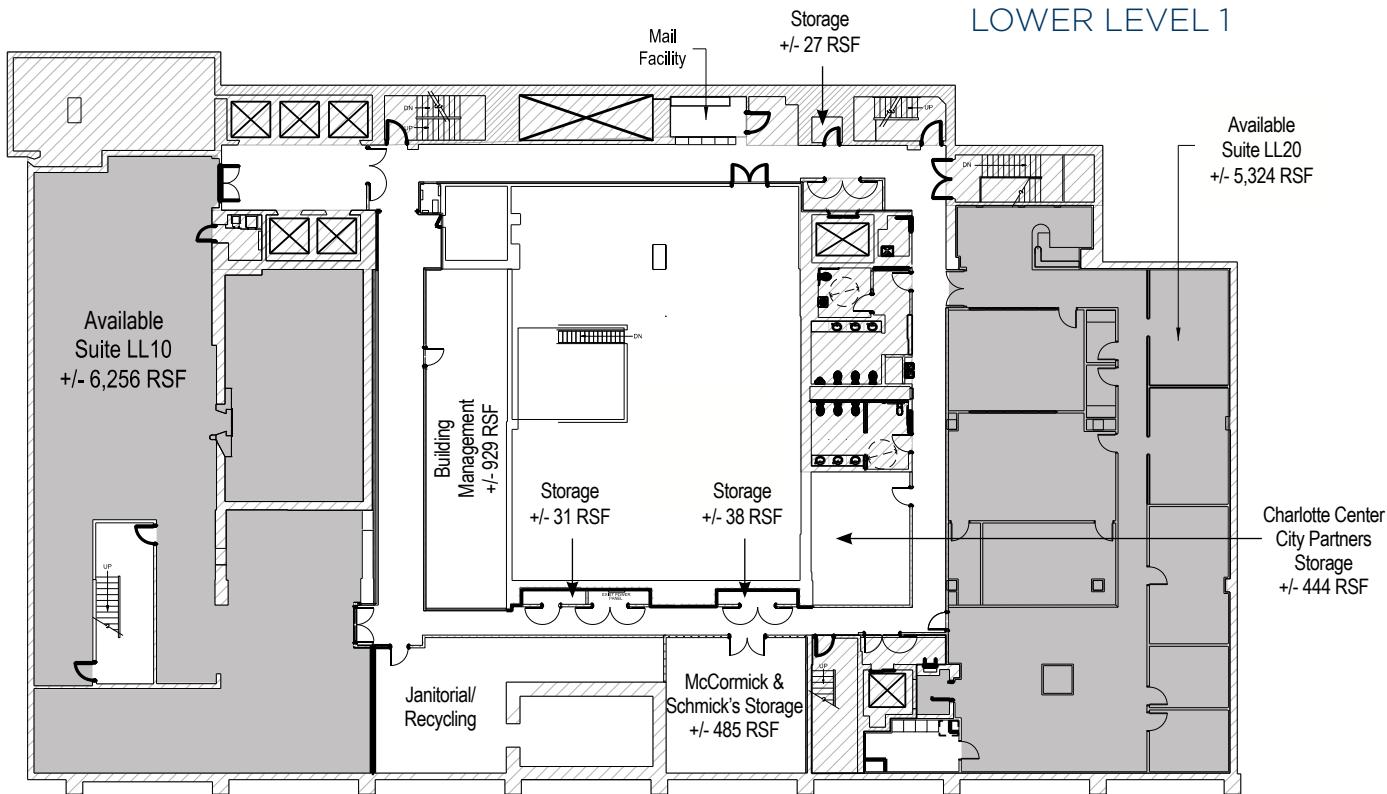


SEVENTEENTH FLOOR

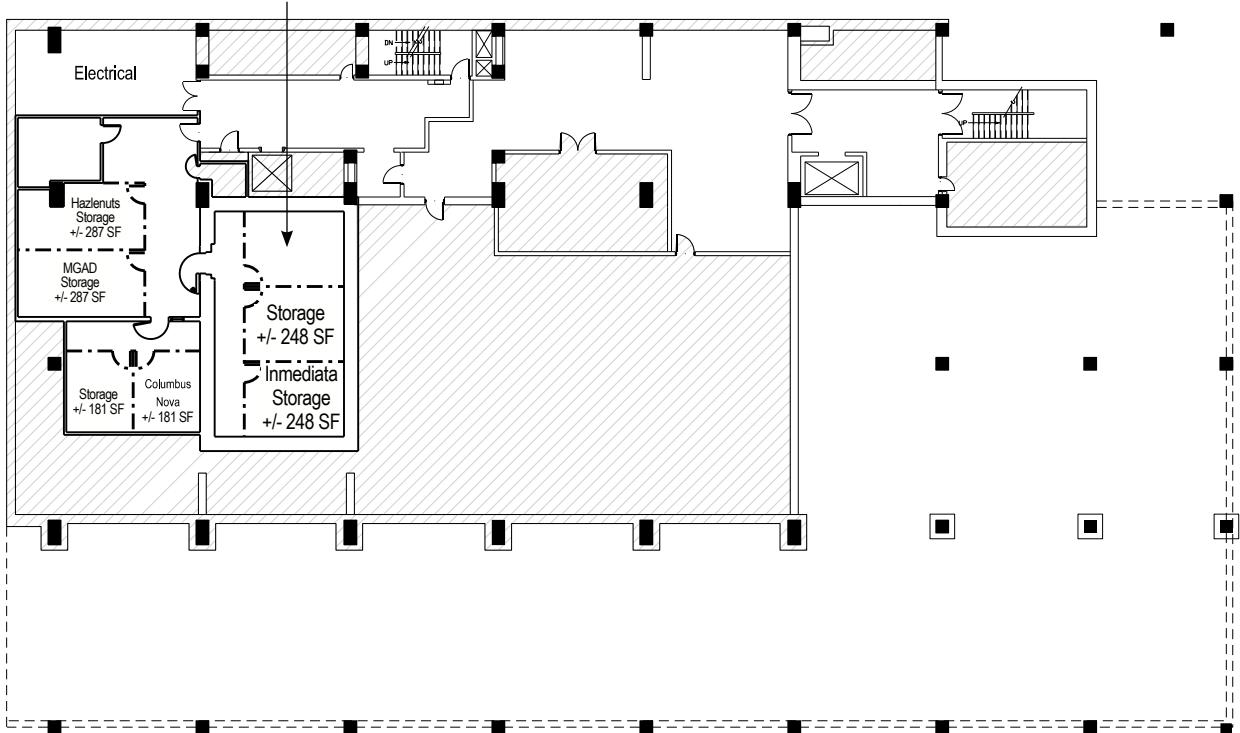


2017 2018 2019 2020 2021

LOWER LEVEL 1



LOWER LEVEL 2



2022

2023

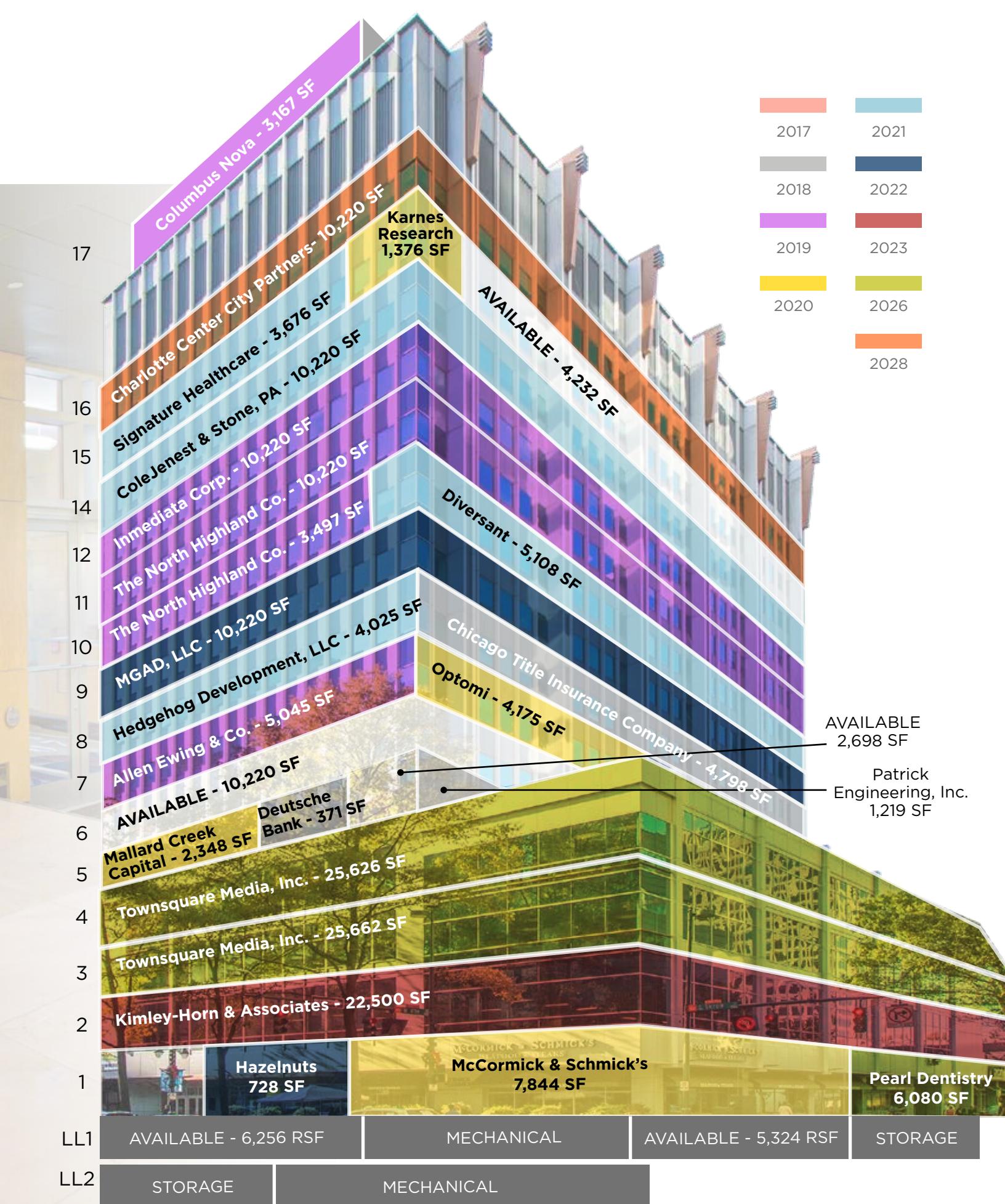
2026

2028

VACANT

STACKING CHART





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LOCATION OVERVIEW

The Charlotte metropolitan region, with a balanced economy, an attractive quality of life, a top international airport, and a significant concentration of corporate headquarters, continues to be one of the most attractive, fastest growing markets in the United States, boasting a population surge of nearly 80% between 2000 and 2015.



PEOPLE & BUSINESSES KEEP COMING TO CHARLOTTE

Largest city in North Carolina and 17th largest city in the United States with a population exceeding 800,000

Diverse economy that is home to the headquarters of seven Fortune 500 companies

2.4 million people in the ten county Charlotte MSA

First in urban population growth between 2000 and 2010

Located in the middle of the eastern seaboard, Charlotte is accessible to 60% of the U.S. population within two hours by air

Home to endless amenities and activities including the NFL, NBA, NASCAR, minor league baseball, U.S. National Whitewater Center, and museums



#1
MOST MILLENNIAL GROWTH
Apartment List, Inc.

#1
BEST CITY FOR HIGH PAY AND LOW EXPENSES
Yahoo

#2
FASTEAST GROWING CITY IN THE U.S.
United States Census

#9
MOST ATTRACTIVE REAL ESTATE MARKET IN THE U.S. IN 2016
Urban Land Institute

#3
BEST STATE TO DO BUSINESS
Forbes

#2
STATE IN THE COUNTRY FOR LOW COST OF BUSINESS (NC)
Forbes

LOCATION OVERVIEW

ECONOMY

The Charlotte metropolitan area contains a diverse economy that is home to the headquarters of seven Fortune 500 companies and sixteen Fortune 1000 firms. Between 2009 and 2015, the unemployment rate plummeted 750 basis points from 12.4% to 4.9%.

MSA Population	2010 2.0 million	2015 2.35 million	2030 Projection 2.94 million
<i>47 % Population increase between 2010 & 2030</i>			

Fortune 500 Companies in Charlotte



BANKING & FINANCIAL SERVICES

58

Financial services companies
with over 100 employees in Charlotte

Bank of America



Allstate

SUNTRUST

TIAA CREF



Morgan Stanley

Babson
CAPITAL MANAGEMENT

LPL Financial



MetLife

JPMorgan Chase



citifinancial

ally

usbancorp



TRAVELERS
Insurance. In-synch.



Vanguard

Financial Capital of

the Southeast

offering a well-educated workforce



Home to the

Headquarters of
Bank of America and
Wells Fargo's
eastern United States operations



Total Number of
Fortune 500 Firms
represented in the
Charlotte MSA



The Number of
People Employed
in the financial
services industry
in Charlotte

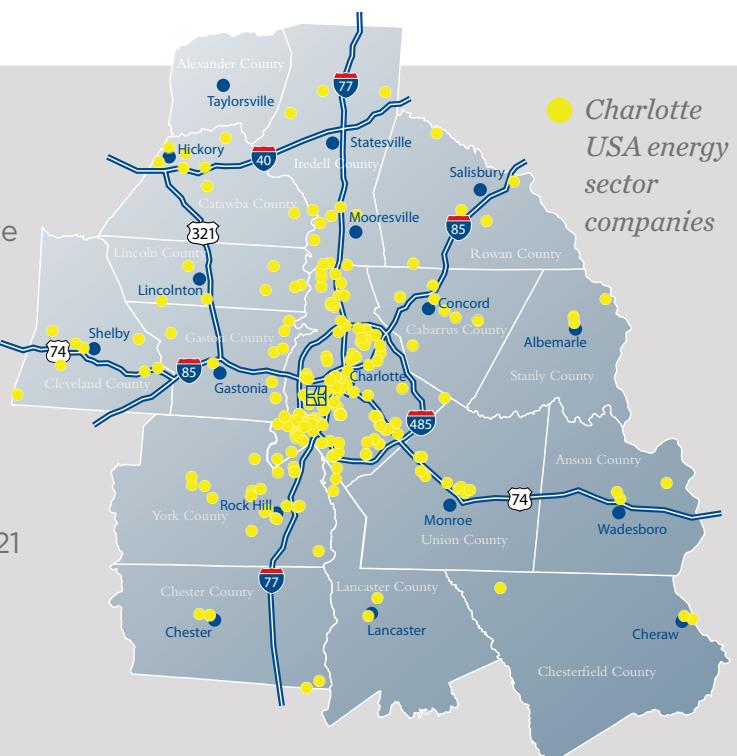
ENERGY

Duke Energy recently dubbed Charlotte as "The New Energy Capital"

28,000 people working in the energy sector throughout Charlotte

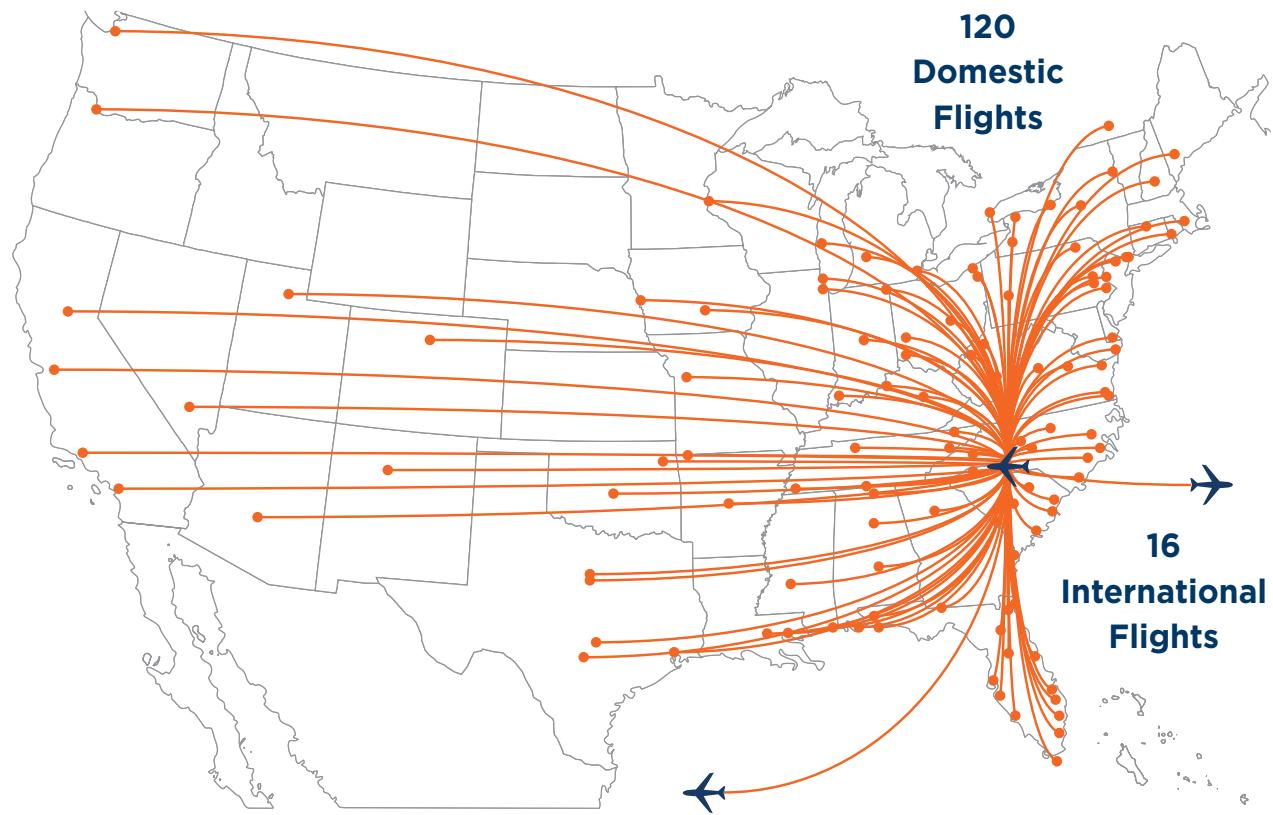
North Carolina is the first southern state to legislate renewable energy production and implementation by 2021

There are currently 39 power plants operating in the region with six new potential units in application process



LOCATION OVERVIEW

CHARLOTTE ACCESSIBILITY & TRANSPORTATION





Bland Street Station



CTC Charlotte Station in Uptown Charlotte

#1

Most Competitive Large-Size Airport

Sept 2014, Air Transport Research Society

#2

Best Airport for Making Connections

Jun 2013, Travel Leaders Group

#2

Most Efficient Large-Size Airports

Sept 2014, Air Transport Research Society

#4

Best Domestic Airports

Aug 2014, Travel + Leisure

LOCATION OVERVIEW

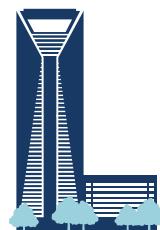
SURGING CENTER CITY CHARLOTTE

“In 1996, 16% of Americans worked within 3 miles of a downtown; in 2015, 23% did. In Charlotte, 32% of residents work within 3 miles of Uptown.”

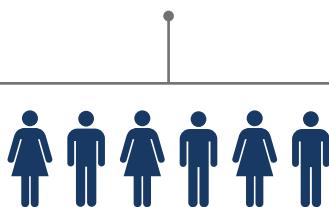
- *Charlotte Center City Partners*



UNDER CONSTRUCTION & PLANNED CENTER CITY PROJECTS



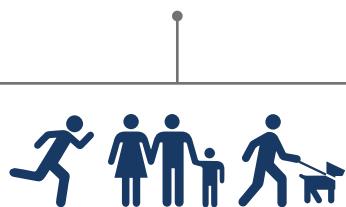
OFFICE SPACE
5.3
Million SF



= **26,500**
New Office Workers



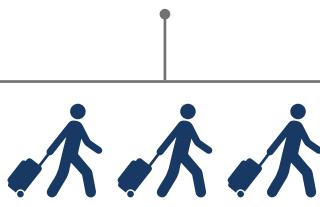
RESIDENTIAL UNITS
9,725
New Residential Units



= **16,500**
New Residents



HOTEL ROOMS
2,671
New Hotel Rooms

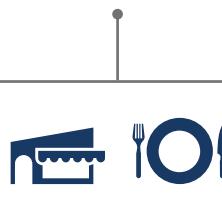


= **975,000**

More Overnight
Visitors Per Year



RETAIL SPACE
777,392
SF of Retail

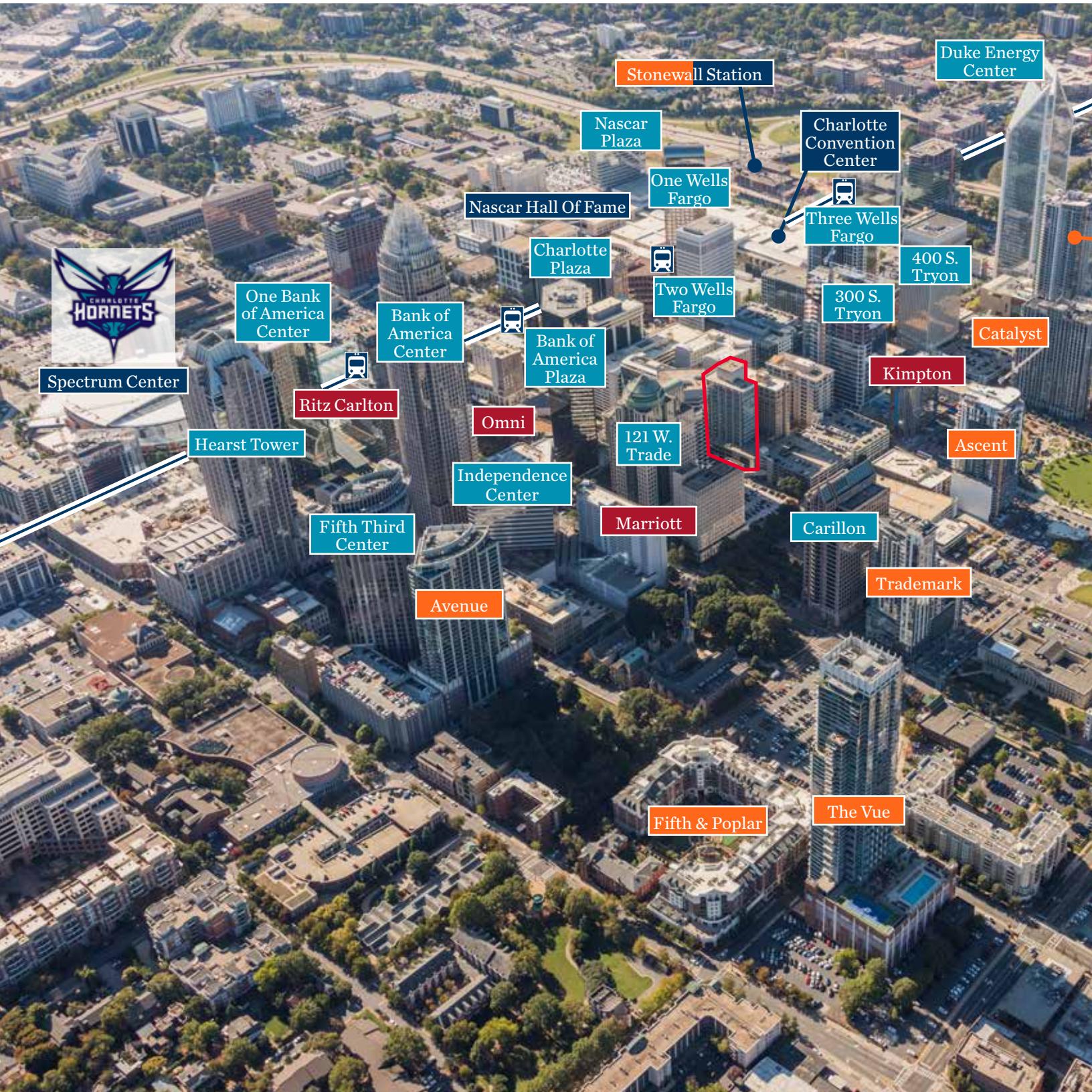


= **88**

New Shops &
Restaurants

Source - Charlotte Center City Partners

LOCATION OVERVIEW





The LYNX Blue Line and Gold Line, 5.4 acres Romare Bearden Park, BB&T Ballpark, and the B-Cycle program have transformed Uptown into an ideal live, work, play environment:

- » More than 27,000 people call Center City Charlotte home and that number is expected to grow to 40,000 by the end of 2020
- » Approximately 100,000 total employees work in Uptown Charlotte
- » 1,000 hotel rooms are currently under construction with another 1,500 more proposed, resulting in a 50% increase in the number of Uptown hotels
- » Uptown ranks in the top 10 CBDs nationally for new office construction among Chicago, Atlanta, Denver & Seattle
- » 227 restaurants and bars in Uptown
- » Lynx Blue Line light rail has resulted in nearly \$1.5 billion in development, and the 9.3 mile extension will be completed 2018
- » The first phase of the CityLYNX Gold Line was completed in 2015, and is expected to create 1.1 million or more square feet in new development once the ten mile line is completed

● OFFICE

— LYNX LIGHT RAIL

● HOTEL

■ LYNX LIGHT RAIL STATION

● MULTIFAMILY

● ATTRACTION

LOCATION OVERVIEW

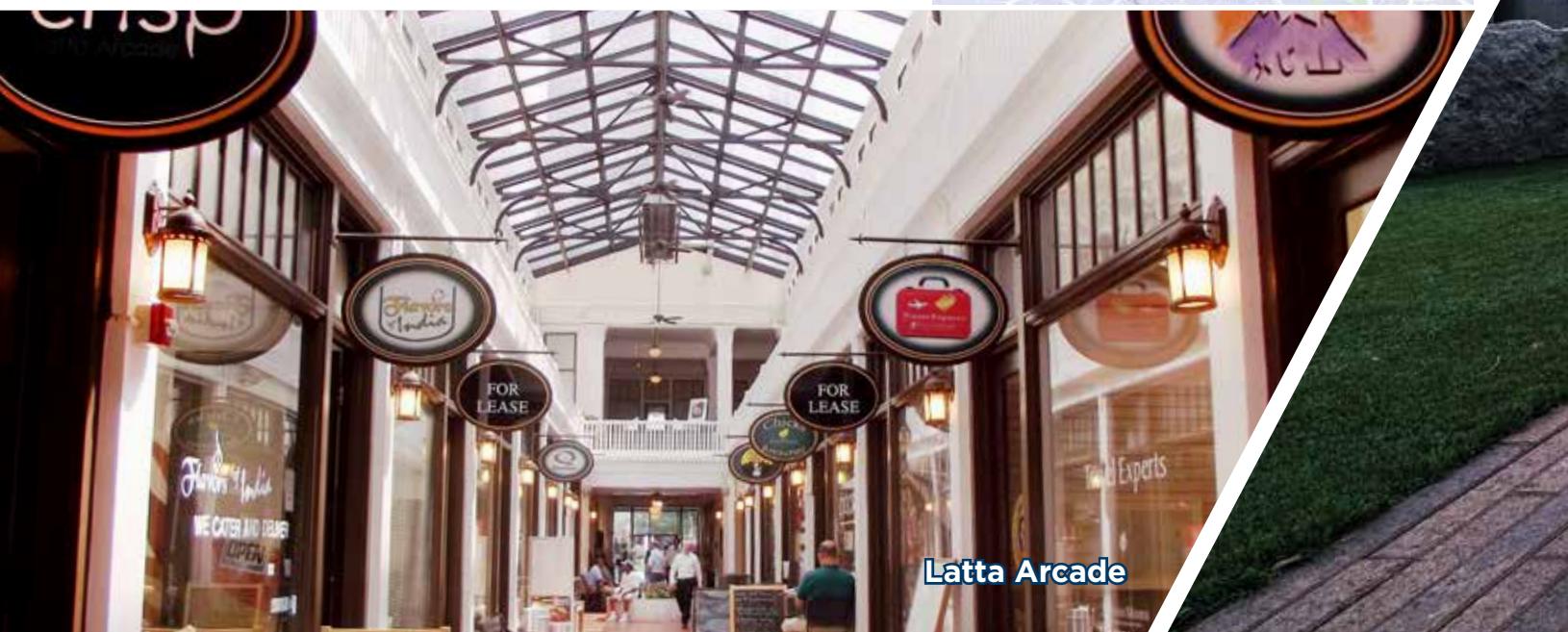
SOUTH TRYON IS THE RIGHT END OF TRYON STREET

Third Ward

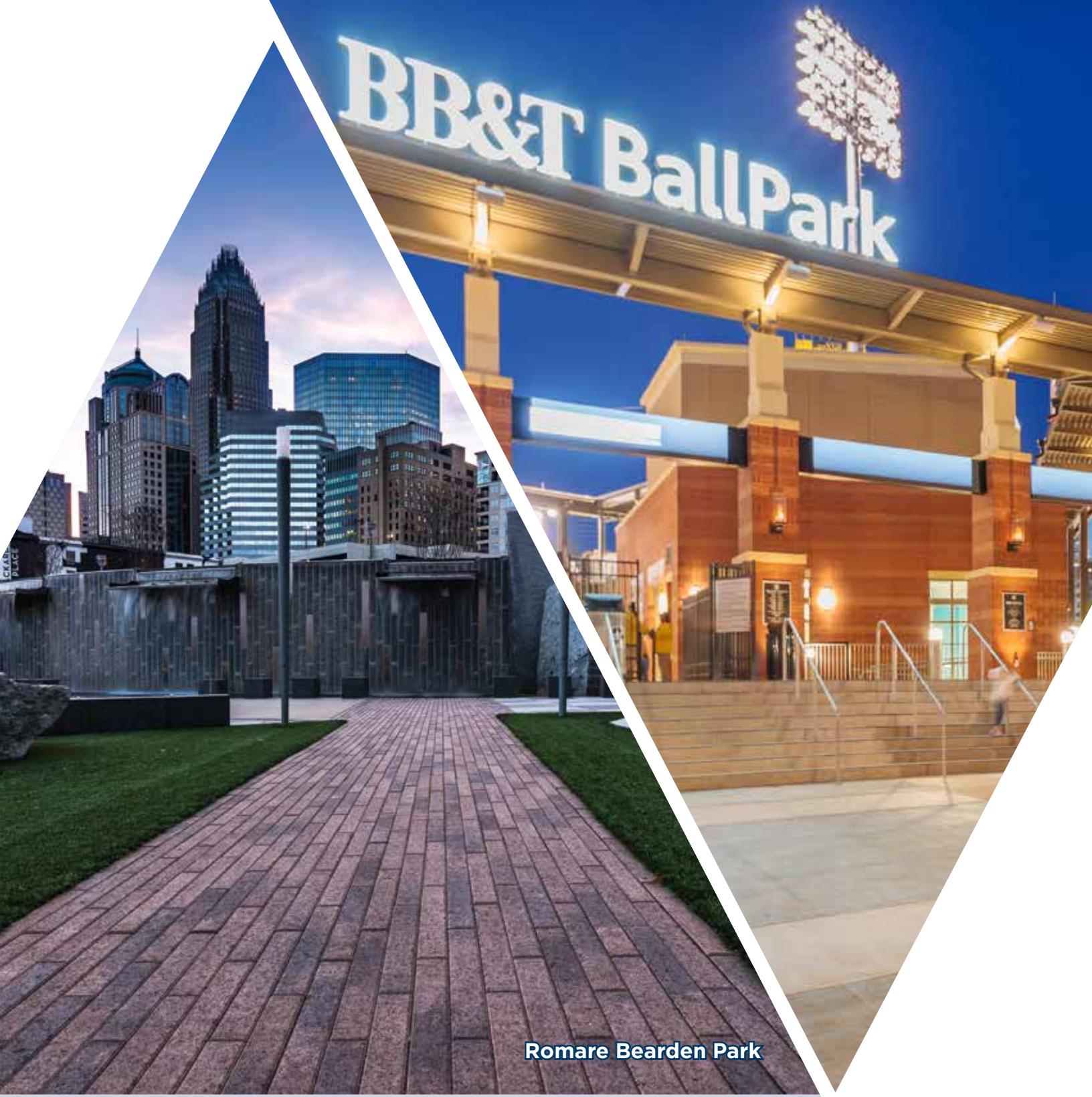
200 South Tryon is located in Uptown's Third Ward neighborhood. Largely dominated by surface parking lots until ten years ago, Third Ward has experienced dramatic development and has become Uptown's dominant multi-use neighborhood as Charlotte's recreational and cultural amenities have shifted into Third Ward. Aside from the construction of Bank of America Stadium, home to the NFL Carolina Panthers, minimal activity occurred in Third Ward until 2006 when Duke Energy Center construction began.

Delivered in 2013, the true epicenter of Third Ward is Romare Bearden Park, which is located only one block from 200 South Tryon. The park and neighboring BB&T Ballpark, home to the Triple-A Charlotte Knights, has transformed Third Ward and a flurry of multifamily developments have been constructed or are currently under construction around the park with 1,052 multifamily units delivered since 2010 and 693 currently under construction.

Gateway Station, another transformational project for the Third Ward will serve as an intermodal transit center for regional commuter rail, light rail and streetcar, Amtrak, Greyhound bus service, and CATS bus service. The project is projected to generate more than \$1 billion in private investment.



Latte Arcade



Romare Bearden Park

LOCATION OVERVIEW

SOUTH TRYON IS THE RIGHT END OF TRYON STREET

Stonewall Corridor

A one-mile stretch of road along Stonewall Street is about to become the single busiest spot for development in Uptown, with seven major projects underway. The high profile location will link Uptown Charlotte to thriving South End with a Whole Foods tied to a light rail stop, 2.1 million square feet of office space recently completed, under construction, or planned, 1,254 apartments, 400 hotel rooms, and 55,000 square feet of retail space.





MARKET OVERVIEW

Economy

The overall state of Charlotte's economy at the end of Q1 17 has spread optimistic momentum. With HB2's (NC bathroom bill) demise, hopes of a strong year with accelerated activity are now realized. The Charlotte MSA added almost 37,000 new jobs over the last 12 months, decreasing the unemployment rate from 5.2% down to 4.9%. Out of the Major MSA's (over 1 million employed), Charlotte ranks 5th in the country for rate of job growth and the top 7 Growth Markets are all located in the Southeast. 2017 will be another growth year for the office sector based on the clearly visible economic fundamentals.

Market Overview

With continued job growth, net absorption for Q1 17 was 66,679 square feet starting the year off on a positive trend. While this number may seem low, new building deliveries such as 615 S College Street and Capitol Towers II for a total of 611,252 square feet II had a significant impact on net absorption. Out of this, 471,062 square feet was delivered vacant and is counted as negative absorption. With this in mind, leasing activity in Q1 17 was very strong to finish positive. Vacancy increased market wide to 9.3%, a sizable jump from 8.5% year on year. This jump is heavily influenced by new construction and a few large block vacancies uptown, but appetite for the smaller availabilities remains strong and has created a fairly tight market for the medium to small sized users. The environment for rental rate growth is still in place with market conditions still heavily favoring landlords and with new class-A construction on the market. Tenant improvement allowances continue to grow, due to rising construction costs, which has triggered landlords to increase rental rates. The average asking rate citywide is now \$22.91, a 3.3% increase since Q1 16. This trend is likely to continue through 2017. There is currently 1,907,798 square feet under construction with 69% being speculative. By the end of 2017, three of the speculative buildings will be delivered: 500 East Morehead (81% preleased); The Hub at Waverly (0% preleased); and 300 S Tryon (41% preleased). Investments sales activity was high in 2016 with a total of 56 office sales transactions with a total volume of \$1,253,386,317 and price per square foot of \$196. In 2015 there were 48 transactions totaling \$890,482,000 in volume and \$162 per square foot. Total sales volume will likely double in 2017 with the recent sale of Ballantyne Corporate Center for approximately \$1.25 billion to Northwood Investors.

Economic Indicators



		Q1 16	Q1 17	12-Month Forecast
Charlotte MSA Employment	1,134,067	1,170,950		
Charlotte MSA Unemployment	5.2%	4.9%		
U.S. Unemployment	4.9%	4.8%		



	Total Bldgs	Inventory	Direct Vacant	Total Vacant Sf	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Average Asking Rent
SUBMARKET									
Airport	262	12,044,386	1,404,085	1,441,195	12.0%	(101,188)	0	256,000	\$20.74
CBD	122	21,188,425	2,112,270	2,151,432	10.2%	171,148	375,002	638,459	\$29.59
Cleveland County	260	1,782,744	114,472	114,472	6.4%	(1,112)	5,147	0	\$12.48
Cotswold	37	450,104	10,851	14,130	3.1%	(3,209)	0	0	\$23.89
East Charlotte	315	2,967,792	193,786	206,465	7.0%	1,242	0	30,000	\$14.68
Gaston County	687	4,097,400	219,231	219,831	5.4%	6,231	0	0	\$13.19
Iredell County	437	4,095,652	268,647	291,598	7.1%	5,250	0	18,000	\$16.35
Matthews	236	2,782,279	444,260	450,566	16.2%	(11,158)	0	0	\$17.82
Midtown	643	9,310,179	301,225	327,530	3.5%	21,290	0	344,152	\$26.43
Northeast/I-77	385	5,665,122	419,045	425,672	7.5%	8,108	0	6,000	\$20.71
Northwest Charlotte	191	1,309,712	35,391	35,391	2.7%	5,092	0	0	\$18.21
Park Road	165	2,484,029	513,169	513,169	20.7%	3,585	0	0	\$16.73
Plaza Midwood / NODA	274	1,692,262	26,139	26,139	1.5%	(8,890)	0	200,000	\$12.67
South Charlotte	172	2,747,375	282,216	285,322	10.4%	(2,199)	0	0	\$20.47
South/485	168	6,763,066	769,842	815,065	12.1%	(6,824)	0	194,000	\$27.90
Southpark	100	5,714,605	684,607	771,661	13.5%	(26,477)	236,250	0	\$27.22
Union County	381	2,459,733	160,515	165,415	6.7%	5,836	0	0	\$18.29
University	151	8,382,786	782,263	798,165	9.5%	2,298	0	0	\$21.14
York County	551	6,817,378	479,407	490,172	7.2%	(2,344)	0	221,187	\$19.36
SUBURBAN MARKET TOTALS	5,415	81,566,604	7,109,151	7,391,958	9.1%	(104,469)	241,397	1,269,339	\$20.86
UPTOWN MARKET TOTAL	122	21,188,425	2,112,270	2,151,432	10.2%	171,148	375,002	638,459	\$29.59
Class A	255	39,698,172	5,087,667	5,251,333	13.2%	12,491	611,252	1,817,611	\$26.99
Class B	2,063	43,410,587	3,323,197	3,467,564	8.0%	71,354	5,147	90,187	\$19.20
Class C	3,219	19,646,270	810,557	824,493	4.2%	(17,166)	0	0	\$16.41
CHARLOTTE METRO TOTAL	5,537	102,755,029	9,221,421	9,543,390	9.3%	66,679	616,399	1,907,798	\$22.91

MARKET OVERVIEW

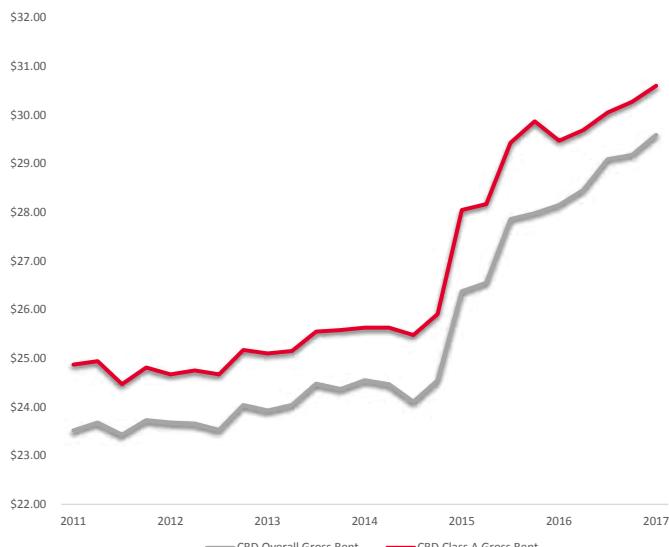
Uptown

The big story in Uptown is the rapid rental growth that does not seem to be slowing down. The Average asking rental rates in Uptown increased by 5.6% since Q1 16, ending Q1 17 at \$29.59. Top class-A new construction is now achieving rates as high as \$36.00. These comps suggest a \$40.00 rental rate could not be far from happening. Most of the absorption in the CBD has come from either out of market relocations or local tenants relocating from suburban submarkets. The migration of suburban tenants to Uptown could accelerate low suburban vacancy. Uptown vacancy increased to 10.2% this year, but this can be attributed to the 375,002 square foot delivery of 615 South College Street that was 38% preleased.

CBD Historical Vacancy



CBD Historical Asking Rates





**EXECUTIVE
SUMMARY**

**PROPERTY
OVERVIEW**

**LOCATION
OVERVIEW**

**MARKET
OVERVIEW**

**TENANT
OVERVIEW**

**FINANCIAL
ANALYSIS**

MARKET OVERVIEW

CBD Sales Comparables

1 / BB&T CENTER **2 / SOUTH TRYON SQUARE** **3 / ONE WELLS FARGO CENTER** **4 / CARILLON** **5 / 121 WEST TRADE ST.** **6 / CHARLOTTE PLAZA** **7 / ALLY BUILDING**

PROPERTY ADDRESS	200 S College St.	201 S Tryon St.	301 S College St.	227 W Trade St.	121 West Trade St.	201 S College St.	440 S Church St.
TOTAL SF	553,000 SF	236,697 SF	1,018,120 SF	476,308 SF	329,930 SF	644,996 SF	368,000 SF
CLOSED SALE PRICE	\$151,000,000	\$69,500,000	\$284,000,000	\$147,000,000	\$62,000,000	\$160,000,000	\$108,750,000
PRICE/SF	\$273	\$294	\$279	\$309	\$188	\$248	\$296
SELLER	CIM Group	American Realty Advisors	Starwood Capital Group	Hines	Greenfield	Hines	Principal Real Estate Investors JV Trinity Capital
BUYER	Arden Group	Goldman Sachs	Quarry Capital JV Vision Equities	KBS	Lincon Property Company	JFR Global Investments LLC	Epic UK
DATE	Apr - 2017	Aug - 2016	Mar - 2016	Jan - 2016	Dec - 2015	Apr - 2015	Aug - 2014
CAP RATE	-	6.15%	6.00%	5.50%	6.78%	6.50%	6.20%
OCCUPANCY AT SALE	74%	91%	98%	92%	74%	91%	99%
YEAR BUILT	1974	1961	1988	1992	1990	1982	2010



EXECUTIVE
SUMMARY

PROPERTY
OVERVIEW

LOCATION
OVERVIEW

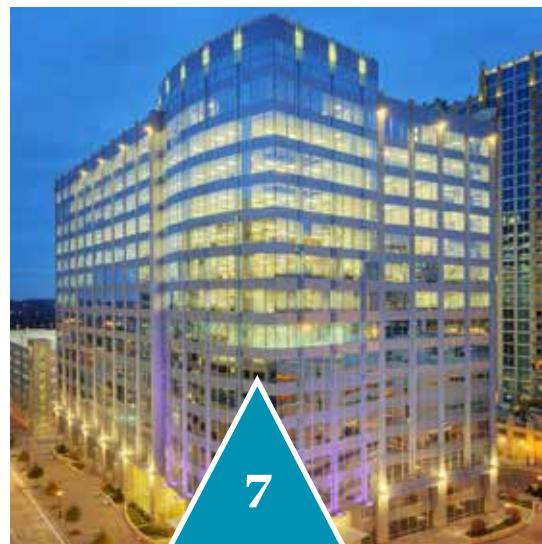
MARKET
OVERVIEW

TENANT
OVERVIEW

FINANCIAL
ANALYSIS

MARKET OVERVIEW

CBD Lease Comparables



1 / FIFTH THIRD CENTER
201 North Tryon Street

CLASS	TENANT	SIZE (SF)	TERM	BASE RENT	FREE RENT	TI	ANNUAL ESCALATIONS	DEAL TYPE	START DATE
A	Insight Global	24,448	84 mo.	\$32.50	0 mo.	\$37.00	3.00%	New Deal	6/1/2018

2 / NASCAR PLAZA
550 South Caldwell Street

CLASS	TENANT	SIZE (SF)	TERM	BASE RENT	FREE RENT	TI	ANNUAL ESCALATIONS	DEAL TYPE	START DATE
A	Four S LLC	2,045	74 mo.	\$29.85	1 mo.	\$30.00	3.00%	New Deal	7/17/2017

3 / SOUTH TRYON SQUARE
201 South Tryon Street

CLASS	TENANT	SIZE (SF)	TERM	BASE RENT	FREE RENT	TI	ANNUAL ESCALATIONS	DEAL TYPE	START DATE
A	Blue Point Capital	3,201	87 mo.	\$33.00	0 mo.	\$40.00	3.00%	Renewal	4/1/2017

4 / CHARLOTTE PLAZA
201 South College Street

CLASS	TENANT	SIZE (SF)	TERM	BASE RENT	FREE RENT	TI	ANNUAL ESCALATIONS	DEAL TYPE	START DATE
A	Randstad	11,728	39 mo.	\$30.00	3 mo.	\$5.50	3.00%	New Deal	1/1/2017

5 / CARILLON
227 West Trade Street

CLASS	TENANT	SIZE (SF)	TERM	BASE RENT	FREE RENT	TI	ANNUAL ESCALATIONS	DEAL TYPE	START DATE
A	RGP	3,723	62 mo.	\$29.50	2 mo.	\$25.00	3.00%	New Deal	11/1/2016
A	Citizens Bank	8,000	63 mo.	\$29.50	3 mo.	\$32.00	3.00%	New Deal	8/1/2016

7 / 121 W. TRADE
121 West Trade Street

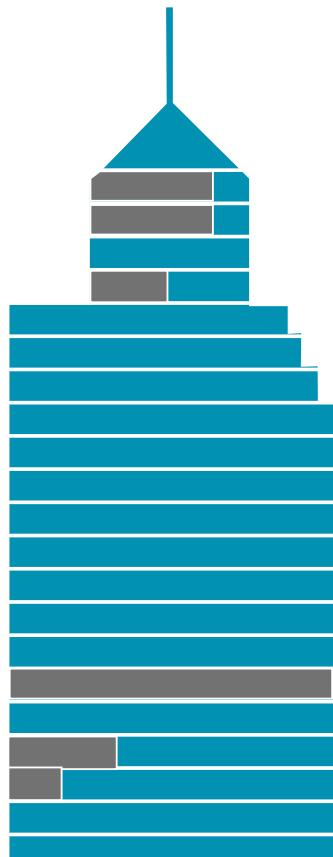
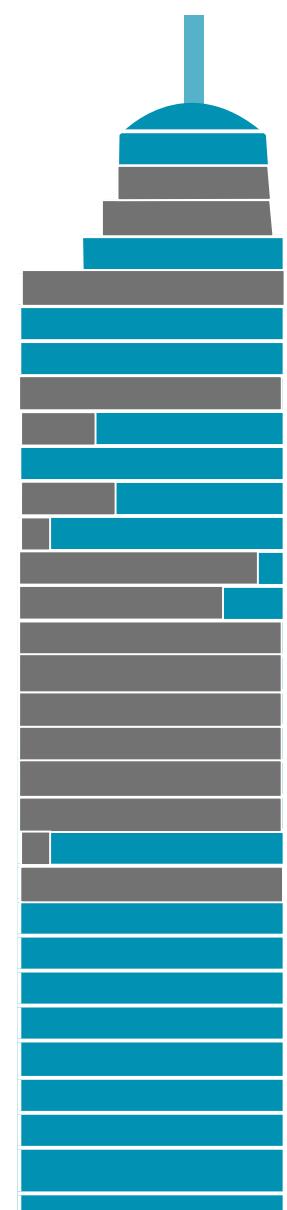
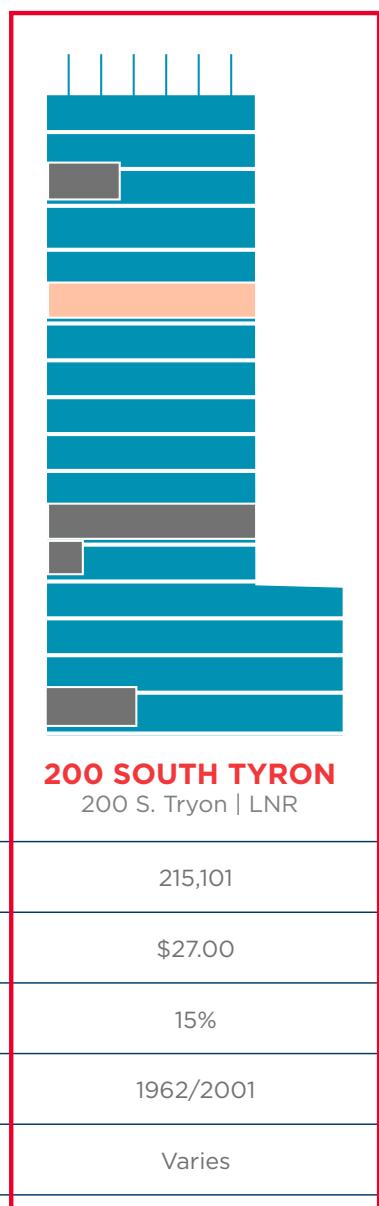
CLASS	TENANT	SIZE (SF)	TERM	BASE RENT	FREE RENT	TI	ANNUAL ESCALATIONS	DEAL TYPE	START DATE
A	Trade Street Advisors	2,056	61 mo.	\$28.50	1 mo.	\$0.00	3.00%	New Deal	11/1/2016

6 / ALLY CENTER
440 South Church Street

CLASS	TENANT	SIZE (SF)	TERM	BASE RENT	FREE RENT	TI	ANNUAL ESCALATIONS	DEAL TYPE	START DATE
A	HDR Inc.	4,897	47 mo.	\$29.15	0 mo.	\$15.00	3.00%	New Deal	4/1/2016

MARKET OVERVIEW

Competitive Set



Size	215,101	337,483	476,308
Rental Rate	\$27.00	\$29.50	\$31.00
Vacancy (%)	15%	59%	9%
Year Built/ Renovated	1962/2001	1990	1991
Floor Plate (SF)	Varies	17,481	21,000

Occupied /
Not Available

Direct
Available

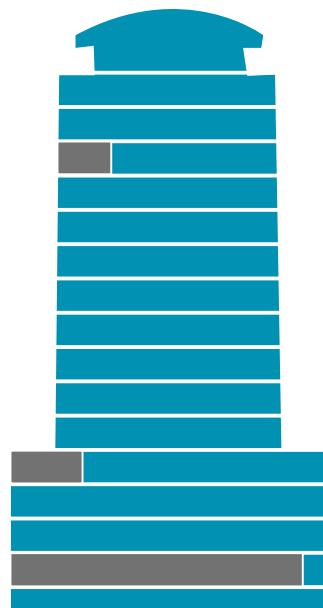
Sublease
Available



NASCAR PLAZA
550 S. Caldwell | Cousins



ALLY BUILDING
440 S. Church | Epic UK



SOUTH TRYON SQUARE
201 S. Tryon | Goldman Sachs

Size	395,000	368,092	237,186
Rental Rate	\$31.00	\$29.50	\$31.50
Vacancy (%)	3%	0%	5%
Year Built/ Renovated	2009	2010	1961/1999
Floor Plate (SF)	19,750	24,533	13,000

TENANT OVERVIEW

Suite	Tenant Name	SF	Type of Business
110	Pearl Dentistry	6,080	Medical (Dentistry)
120	Hazelnuts Creperie, Inc.	728	Restaurant
130	McCormick & Schmick's Restaurant Corp.	7,844	Restaurant
200	Kimley-Horn and Associates	22,500	Civil Engineering
300/400	Townsquare Media Inc.	51,288	Media Marketing
500	Patrick Engineering Inc.	1,219	Engineering
520	Mallard Creek Capital Partners, Inc.	2,348	Real Estate
510	Deutsche Bank National Trust Company	371	Finance
700/710	Allen C. Ewing & Co.	5,045	Investment Banking
750	Optomi	4,175	IT Staffing
800	Chicago Title Insurance Company	4,798	Insurance
850	Hedgehog Development, LLC	4,025	Information Technology
900	Mythic	10,220	Advertising
1000	The North Highland Company	3,479	Global Consulting
1050	Diversant, LLC	5,108	IT Staffing
1100	The North Highland Company	10,220	Global Consulting
1200	Inmediata Corp.	10,220	Healthcare Reimbursement
1400	Colejenest & Stone, P.A.	10,220	Architecture & Engineering
1500	Signature Healthcare, PPLC	3,676	Medical
1525	Karnes Research Company LLC	1,376	Real Estate
1600/1650	Charlotte Center City Partners	10,220	Public Policy
1700	Columbus Nova	3,167	Real Estate



Tenant	Size	Lease Expiration	% of Building	Tenant Website
Townsquare Media, Inc.	51,288 RSF	2/28/2026	24%	townsquaremedia.com

Townsquare Media, Inc. is a media and digital marketing solutions company that provides radio broadcasting services. Headquartered in Greenwich, Connecticut, Townsquare Media owns FM and AM radio stations and operates Live Events and Social Media Properties across the country.

As of 2016, the Company had grown into the third-largest AM-FM operator in the country and is set on continuing their expansion. Recent acquisitions of the MOG Music Network and a group of former AOL owned blogs has helped Townsquare Media procure over 310 radio stations, 326 companion websites, and approximately 500 annual live events in 66 markets across the country. Townsquare Media had their IPO in 2014 and is traded on the New York Stock Exchange (ticker symbol TSQ).



TENANT OVERVIEW

Kimley»Horn

Tenant	Size	Lease Expiration	% of Building	Tenant Website
Kimley-Horn and Associates	22,500 RSF	1/06/2023	10%	kimley-horn.com

Kimley-Horn and Associates provides design consulting services for public infrastructure and private development projects in the United States. Their specialties include: energy services, aviation, roads and bridges, energy, parking, and several others. As one of the nation's top planning and design consulting firms, Kimley-Horn and Associates has 75 offices spanning across the United States, employing over 2,800.

Kimley-Horn and Associates was voted by Fortune magazine as one of the “100 Best Workplaces for Millennials”, as well as one of the “100 Best Companies to Work For” seven of the past ten years. This great work environment, coupled with their increased revenues, has helped their number of full-time employees grow over 16% since last year.





Tenant	Size	Lease Expiration	% of Building	Tenant Website
ColeJenest & Stone, P.A.	10,220 RSF	6/30/2021	5%	colejeneststone.com

ColeJenest & Stone, P.A. provides land planning, landscape architecture, civil engineering, and urban design. Their services extend to the education, civic, commercial, healthcare, and residential sectors. Headquartered in Charlotte, NC, ColeJenest & Stone, P.A. has completed more than 4,600 projects throughout their 28 year tenure.



CHARLOTTE
CENTER CITY

Tenant	Size	Lease Expiration	% of Building	Tenant Website
Charlotte Center City Partners	10,220 RSF	2/28/2028	5%	charlottecentercity.org

Founded in 1978, and based in Charlotte, NC, Charlotte Center City Partners helps to organize events and programs throughout the Charlotte area. The Company strives to facilitate the growth of a pedestrian friendly city that balances out the initiatives leveraged by public and private investment. With one of their main goals being to promote the economic and cultural development of the urban core, Charlotte Center City Partners envisions a memorable and sustainable city with modern infrastructure and a vast array of successful businesses.

TENANT OVERVIEW

MCCORMICK & SCHMICK'S SEAFOOD & STEAKS

Tenant	Size	Lease Expiration	% of Building	Tenant Website
McCormick & Schmick's Restaurant Corporation	7,844 RSF	5/31/2020	4%	mccormickschmicks.com

McCormick & Schmick's Restaurant Corporation is an American seafood chain that operates more than 70 companies throughout North America. Formed in the 1970s, the company has grown immensely, currently employing more than 7,000. McCormick & Schmick's recently completed a major renovation to their space in 200 S. Tryon.





FINANCIAL ANALYSIS

CASH FLOW

FOR YEAR ENDING	IN-PLACE JUL-2018	PSF	JUL-2018	JUL-2019	JUL-2020
RENTAL INCOME					
Base Rental Revenue	\$3,471,462	\$19.59	\$4,213,955	\$4,589,360	\$5,075,080
Absorption & Turnover Vacancy	(\$9,003)	(\$2.28)	(\$491,290)	(\$264,914)	(\$134,243)
Base Rent Abatements		(\$0.53)	(\$112,985)	(\$35,920)	\$0
Total Rental Income	\$3,462,459	\$16.78	\$3,609,680	\$4,288,526	\$4,940,837
<i>Per Square Foot</i>	\$16.10		\$16.78	\$19.94	\$22.97
OPERATING EXPENSE RECOVERIES	\$193,487	\$0.92	\$197,843	\$225,845	\$237,277
<i>Per Square Foot</i>	\$0.90		\$0.92	\$1.05	\$1.10
MISCELLANEOUS INCOME					
Townsquare Income Support	\$514,482	\$2.39	\$514,482	\$347,742	\$125,088
Total Miscellaneous Income	\$514,482	\$2.39	\$514,482	\$347,742	\$125,088
<i>Per Square Foot</i>	\$2.39		\$2.39	\$1.62	\$0.58
GENERAL VACANCY	\$0	\$0.00	\$0	\$0	(\$131,376)
<i>Per Square Foot</i>	\$0.00		\$0.00	\$0.00	(\$0.61)
EFFECTIVE GROSS INCOME	\$4,170,428	\$20.09	\$4,322,005	\$4,862,113	\$5,171,826
<i>Per Square Foot</i>	\$19.39		\$20.09	\$22.60	\$24.04
OPERATING EXPENSES					
Utilities	\$439,753	\$2.08	\$447,058	\$468,417	\$485,060
M&S Utilities	\$74,907	\$0.35	\$74,907	\$76,782	\$78,699
Cleaning	\$174,500	\$0.83	\$178,873	\$189,442	\$197,135
Repairs & Maintenance	\$257,938	\$1.20	\$257,938	\$264,388	\$270,996
Payroll & Benefits	\$309,701	\$1.44	\$309,701	\$317,442	\$325,379
General & Administrative	\$171,368	\$0.80	\$171,368	\$175,651	\$180,043
Insurance	\$40,597	\$0.19	\$40,597	\$41,610	\$42,652
Real Estate Taxes	\$350,750	\$1.63	\$350,750	\$359,518	\$368,508
Management Fee	\$104,260	\$0.50	\$108,050	\$121,553	\$129,295
Miscellaneous Expenses	\$24,364	\$0.11	\$24,364	\$24,971	\$25,598
Total Operating Expenses	\$1,948,138	\$9.13	\$1,963,606	\$2,039,774	\$2,103,365
<i>Per Square Foot</i>	\$9.06		\$9.13	\$9.48	\$9.78
NET OPERATING INCOME	\$2,222,290	\$10.96	\$2,358,399	\$2,822,339	\$3,068,461
<i>Per Square Foot</i>	\$10.33		\$10.96	\$13.12	\$14.27
CAPITAL EXPENDITURES					
Tenant Improvements		\$3.93	\$844,808	\$572,521	\$682,194
Leasing Commissions		\$1.06	\$228,920	\$150,772	\$515,535
Capital Reserves		\$0.25	\$54,671	\$56,039	\$57,440
Total Capital Expenditures		\$5.25	\$1,128,399	\$779,332	\$1,255,169
<i>Per Square Foot</i>			\$5.25	\$3.67	\$5.84
CASH FLOW		\$5.72	\$1,230,000	\$2,043,007	\$1,813,292
<i>Per Square Foot</i>			\$5.72	\$9.45	\$8.43

JUL-2021	JUL-2022	JUL-2023	JUL-2024	JUL-2025	JUL-2026	JUL-2027	JUL-2028
\$5,447,770 (\$105,319)	\$5,743,522 (\$7,246)	\$6,077,891 (\$188,140)	\$6,317,845 (\$137,207)	\$6,496,773 (\$100,334)	\$6,791,940 (\$307,288)	\$7,154,742 (\$205,896)	\$7,421,764 (\$112,510)
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$5,342,451 \$24.84	\$5,736,276 \$26.67	\$5,889,751 \$27.38	\$6,180,638 \$28.73	\$6,396,439 \$29.74	\$6,484,652 \$30.15	\$6,948,846 \$32.31	\$7,309,254 \$33.98
\$289,208 \$1.34	\$331,999 \$1.54	\$362,478 \$1.69	\$375,600 \$1.75	\$407,830 \$1.90	\$350,077 \$1.63	\$345,801 \$1.61	\$420,014 \$1.95
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(\$181,528) (\$0.84)	(\$296,531) (\$1.38)	(\$133,879) (\$0.62)	(\$197,464) (\$0.98)	(\$244,897) (\$1.14)	(\$49,812) (\$0.16)	(\$169,132) (\$0.79)	(\$279,578) (\$1.30)
\$5,450,131 \$25.34	\$5,771,744 \$26.83	\$6,118,350 \$28.44	\$6,358,774 \$29.56	\$6,559,372 \$30.49	\$6,784,917 \$31.54	\$7,125,515 \$33.13	\$7,449,690 \$34.63
\$497,616	\$512,930	\$520,218	\$534,607	\$549,805	\$556,638	\$575,109	\$592,020
\$80,668	\$82,685	\$84,752	\$86,870	\$89,041	\$91,268	\$93,550	\$95,888
\$202,317	\$209,095	\$211,011	\$217,109	\$223,641	\$225,090	\$233,443	\$240,796
\$277,771	\$284,717	\$291,834	\$299,130	\$306,606	\$314,273	\$322,130	\$330,184
\$333,514	\$341,850	\$350,397	\$359,157	\$368,136	\$377,341	\$386,772	\$396,443
\$184,544	\$189,156	\$193,888	\$198,733	\$203,701	\$208,795	\$214,015	\$219,363
\$43,718	\$44,811	\$45,931	\$47,079	\$48,256	\$49,464	\$50,699	\$51,966
\$377,719	\$387,162	\$396,841	\$406,763	\$416,931	\$427,356	\$438,038	\$448,989
\$136,254	\$144,294	\$152,960	\$158,968	\$163,984	\$169,623	\$178,138	\$186,244
\$26,236	\$26,893	\$27,566	\$28,254	\$28,960	\$29,685	\$30,426	\$31,187
\$2,160,357	\$2,223,593	\$2,275,398	\$2,336,670	\$2,399,061	\$2,449,533	\$2,522,320	\$2,593,080
\$10.04	\$10.34	\$10.58	\$10.86	\$11.15	\$11.39	\$11.73	\$12.06
\$3,289,774	\$3,548,151	\$3,842,952	\$4,022,104	\$4,160,311	\$4,335,384	\$4,603,195	\$4,856,610
\$15.29	\$16.50	\$17.87	\$18.70	\$19.34	\$20.16	\$21.40	\$22.58
\$54,778	\$293,330	\$620,756	\$497,183	\$186,043	\$1,094,777	\$545,288	\$303,781
\$27,471	\$191,027	\$381,660	\$200,136	\$94,994	\$678,429	\$456,178	\$199,260
\$58,874	\$60,348	\$61,857	\$63,402	\$64,987	\$66,611	\$68,278	\$69,985
\$141,123	\$544,705	\$1,064,273	\$760,721	\$346,024	\$1,839,817	\$1,069,744	\$573,026
\$0.66	\$2.53	\$4.95	\$3.18	\$1.61	\$8.93	\$4.97	\$2.66
\$3,148,651	\$3,003,446	\$2,778,679	\$3,261,383	\$3,814,287	\$2,495,567	\$3,533,451	\$4,283,584
\$14.64	\$13.96	\$12.92	\$15.53	\$17.74	\$11.22	\$16.42	\$19.91

NOTES TO CASH FLOW

REVENUE & MARKET LEASING ASSUMPTIONS

BUILDING RENTABLE AREA

Office	196,815 SF
Retail	14,652 SF
Storage	3,634 SF
Total Rentable Area	215,101 SF

2017 MARKET RENTAL RATES

Office	
Lower Level (LL10 & LL20)	\$16.00 FS
Full Floors (Floors 2-4)	\$22.00 FS
Floors 5-17	\$27.00 FS
Retail	
Hazelnuts	\$30.00 NNN
McCormick & Schmick	\$45.00 NNN
	& Submetered Utilities
Pearl Dentistry	\$30.00 NNN
Storage	\$15.00 Flat

ANNUAL GROWTH RATES

Market Rent Growth	
2018	5.0%
2019	4.0%
2020+	3.0%
Operating Expense Growth Rate	2.5%
Real Estate Tax Growth Rate	2.5%
Annual Base Rent Escalation (Excl Storage)	3.0%

GENERAL VACANCY

(Excludes Chicago Title Insurance & Deutsche Bank)

LEASE TERMS (NEW & RENEWAL)

Office <10,000 SF	5 Years
Office >10,000 SF	7 Years
Retail	10 Years
Storage	2 Years
Lower Level (LL10 & LL20)	5 Years

RENEWAL PROBABILITY

Office	75%
Retail	90%

DOWNTIME PERIOD

	Office & Storage	Retail
New	6 Months	6 Months
Weighted	2 Months	1 Month

TENANT IMPROVEMENT ALLOWANCES

	LL	Floors 1-4	Floors 5-17	Retail
New	\$50.00	\$30.00	\$30.00	\$60.00
Renewal	\$5.00	\$8.00	\$8.00	\$0.00
Weighted	\$16.25	\$13.50	\$13.50	\$6.00

LEASING COMMISSIONS

Office & Storage	Retail
New	6.00%
Renewal	4.00%
Weighted	4.50%
	4.20%

INITIAL LEASE-UP RENT ABATEMENT

5 Year Term	2 Months
7 Year Term	3 Months

CAPITAL EXPENDITURES

Capital Reserves	\$0.25 PSF
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TOWNSQUARE INCOME SUPPORT

	3/17-2/18	3/18-2/19	3/19-2/20
Adjusted Rate	\$20.50	\$21.01	\$21.54
Lease Rate	\$9.12	\$12.33	\$16.66
Inc Support (PSF)	\$11.38	\$8.68	\$4.88
Inc Support (\$/Yr)	\$583,657	\$445,308	\$250,173

OPERATING EXPENSE ASSUMPTIONS

Operating expenses, excluding management fee, utilized in the cash flow projection are based upon the Owner's 2017 Annual Budget.

OPERATING EXPENSE REIMBURSEMENTS

Tenants pay their pro rata shares of operating expenses and taxes based on the recovery methods outlined on the rent roll found on pages 78-87. Pro rata shares, base year amounts, and gross up provisions for each tenant are based upon the amounts specified in the leases. Future tenants are assumed to pay their pro rata share of operating expenses and taxes over their base year amount.

MANAGEMENT FEE

2.5% of Effective Gross Revenue.

REAL ESTATE TAXES

Real estate taxes are based upon the 2017 Budget.

GENERAL PARAMETERS

METHODOLOGY

This cash flow projection has been developed on a tenant-by-tenant basis using the ARGUS 15.0 software program.

PROJECTION PERIOD

This analysis begins September 1, 2017 and projects future income on a calendar year basis for 11 years. All dollar amounts used are based on a stabilized calendar year 2017 budget. Market leasing assumptions escalate on a calendar year basis and operating expense reimbursements and inflation are calculated on a calendar year basis.



**EXECUTIVE
SUMMARY**

**PROPERTY
OVERVIEW**

**LOCATION
OVERVIEW**

**MARKET
OVERVIEW**

**TENANT
OVERVIEW**

**FINANCIAL
ANALYSIS**

OPERATING EXPENSES

2017 Budget ⁽¹⁾	
Utilities	
Electricity ⁽²⁾⁽³⁾	\$413,544
Water & Sewer ⁽³⁾	\$46,368
Total Utilities	\$459,912
Per Square Foot ⁽⁴⁾	\$2.14
M&S Utilities	
Per Square Foot	\$0.34
Cleaning	
Janitorial Contract ⁽²⁾	\$141,465
Janitorial Supplies	\$23,280
Trash Removal	\$23,280
Total Cleaning	\$188,025
Per Square Foot	\$0.87
Repairs & Maintenance	
Per Square Foot	\$1.18
Payroll & Benefits	
Per Square Foot	\$1.42
General & Administrative	
Per Square Foot	\$0.78
Insurance	
Per Square Foot	\$0.19
Total Real Estate Taxes	\$345,000
Per Square Foot	\$1.60
Management Fee ^{(2) (5)}	
Per Square Foot	\$0.41
Miscellaneous Expenses	
Per Square Foot	\$0.11
TOTAL OPERATING EXPENSES & REAL ESTATE TAXES	\$1,945,750
Per Square Foot	\$9.05

NOTES:

- (1) 2017 budget is based on projected expenses during the period 01/01/17 - 12/31/17. Owner budget assumed 87% occupancy. Our budget has grossed up to 100%.
- (2) Electricity, Janitorial Contract and Management Fee are modeled as variable expenses in ARGUS.
- (3) Excludes McCormick & Schmick utility 2017 estimates (\$73,680 for electricity and water & sewer).
- (4) The PSF calculations are based on the total rentable square footage (RSF) of 215,101.
- (5) Management Fee as presented here is based off the owner's 2017 budget. In Argus, Management Fee is calculated as 2.5% of effective gross revenue.

VACANT SPACE LEASE-UP

Suite	Square Feet	Current Market Rent	Esc.	Free Rent	Reimbursements	TI's	LC's	Term	Commencement
Suite 1550	1,989	\$27.00	3.00%	2 Mo.	Base Stop	\$30.00	6.00%	5 Years, 2 Mo.	11/1/2017
Suite 1550	2,243	\$27.00	3.00%	2 Mo.	Base Stop	\$30.00	6.00%	5 Years, 2 Mo.	11/1/2017
Suite 550	2,698	\$28.35	3.00%	2 Mo.	Base Stop	\$30.75	6.00%	5 Years, 2 Mo.	1/1/2018
Suite 600	10,220	\$28.35	3.00%	3 Mo.	Base Stop	\$30.75	6.00%	7 Years, 3 Mo.	5/1/2018
Suite LL10	6,256	\$16.80	3.00%	2 Mo.	Base Stop	\$51.25	6.00%	5 Years, 2 Mo.	8/1/2018
Suite 201	3,028	\$23.10	3.00%	2 Mo.	Base Stop	\$30.75	6.00%	5 Years, 2 Mo.	9/1/2018
Suite LL20	5,324	\$17.47	3.00%	2 Mo.	Base Stop	\$52.53	6.00%	5 Years, 2 Mo.	2/1/2019
Suite ST 10 - PVAC	929	N/A	N/A	N/A	N/A	N/A	N/A	2 Years	Permanent Vacancy
Suite ST 11	31	\$15.00	N/A	N/A	N/A	N/A	N/A	2 Years	10/1/2017
Suite ST 15	27	\$15.00	N/A	N/A	N/A	N/A	N/A	2 Years	12/1/2017
Suite ST 20	181	\$15.75	N/A	N/A	N/A	N/A	N/A	2 Years	2/1/2018
Suite ST 24	248	\$15.75	N/A	N/A	N/A	N/A	N/A	2 Years	2/1/2018
Total Vacant Space:		33,174							
% of Building		15%							

RENT ROLL

SUITE	TENANT	LEASE SQUARE FOOTAGE	LEASE BEGINS	LEASE EXPIRES	ESCALATED ANNUAL RENT PSF (As of 5/1/2017)	RENT ESCALATIONS
110	Jenny Gandhi Parikh (dba Pearl Dentistry)	6,080	06/01/16	11/30/26	\$23.25	3% each 6/1 (First Escalation 6/1/2018)
Storage (LL2- 23)	Hazelnuts Creperie, Inc.	287	04/01/12	03/31/22	None	None
120	Hazelnuts Creperie, Inc.	728	04/01/12	03/31/22	\$24.00	3% each 4/1 thereafter
Storage (LL1-12)	McCormick & Schmick Restaurant Corp	485	05/13/05	05/31/20	None	None
130	McCormick & Schmick Restaurant Corp	7,844	05/13/05	05/31/20	\$41.66	None
Storage (LL1-13)	Kimley-Horn and Associates	38	10/01/15	01/06/23	\$60 / Month	No Escalations

OPERATING EXPENSE & REAL ESTATE TAX BASE PSF	PRO RATA SHARE	GROSS-UP	COMMENTS & OPTIONS
See Comments	N/A	N/A	<p>Security Deposit: \$11,653.33 paid at Lease Execution</p> <p>Sales Tax: Tenant shall be responsible for timely payment of sales tax or other tax on all payment to third parties (Section 5.4)</p> <p>Janitorial: LL shall be responsible for paying the cost of Janitorial Services shown in Schedule 7</p> <p>Renewal: Tenant shall have the right to renew the Term of this Lease two (2) times for a period of five (5) years at a rate equal to the Fair Market Value. Tenant must provide written notice not later than six (6) months prior to the expiration, and not earlier than twelve (12) months.</p> <p>Lease Type: Gross Lease with no pass throughs</p> <p>Rent Abatement: Expires 12/14/2016</p> <p>Utilities: Tenant shall be responsible for all maintenance and repairs required in the Premises, except any electrical wiring, plumbing and HVAC installations and any other Building systems or Building equipment located outside the Premises, roof, exterior walls, structural foundations, parking areas and other Common Areas, which shall be maintained by LL.</p>
None	N/A	N/A	<p>Electricity: Tenant responsible for electricity</p>
None	N/A	N/A	<p>Security Deposit: \$1,092.00 paid at Lease Execution</p> <p>Renewal: Tenant has the right to two (2) extension options of five (5) years each at a rate equal to the Prevailing Market Rate, but not less than one hundred percent (100%) of the Monthly Base Rent for the final Lease Year of the Initial Term. The rent shall escalate 3% annually.</p> <p>Signage: Tenant permitted to use the existing light box to display logo</p> <p>HVAC: Tenant responsible for maintenance & replacement of HVAC throughout Lease Term</p> <p>Electricity: Tenant shall be responsible and promptly pay all charges for electricity furnished to the Premises</p> <p>Restrooms: LL shall not be responsible for supplying restroom facilities, whether for employees or customers</p> <p>Janitorial: Tenant shall be responsible for daily customary cleaning and janitorial services in the Premises</p> <p>Water: LL responsible for water</p>
None	N/A	N/A	<p>OPEX Cap: LL1 storage exempt from OPEX increases limited to 5% annually except no limit on utilities, taxes or insurance</p> <p>OPEX: Tenant shall not be required to pay any share of Operating Costs attributable to the Storage Area</p>
NNN (utilities submetered & fully reimbursed by Tenant)	4.25%	N/A	<p>Percentage Rent: Tenant agrees to pay LL a sum equal to 5% of all Gross Sales; with a breakpoint of \$5,203,000.00 for Lease Years eleven (11) through fifteen (15)</p> <p>Utilities: Tenant will pay for all water, sewer, gas, HVAC and other utilities. Tenant shall also provide janitorial services for Leased Premises equal to their pro rata share on 25% of the total cleaning expenses.</p> <p>Renewal: Tenant shall have the option to extend the Term for two (2) additional five (5) year periods. The Minimum Rent shall be \$359,535.03 annually for LY 16-20, and \$395,488.52 annually for LY 21-25</p> <p>Guarantor: McCormick & Schmick Acquisition Corp</p> <p>Tenant's Share: The calculation of Tenant's Share shall not include the Storage Area</p>
None	N/A	N/A	

RENT ROLL

SUITE	TENANT	LEASE SQUARE FOOTAGE	LEASE BEGINS	LEASE EXPIRES	ESCALATED ANNUAL RENT PSF (As of 5/1/2017)	RENT ESCALATIONS
200	Kimley-Horn and Associates	22,500	08/07/15	01/06/23	\$15.56	16% 1/3/18 3% each 1/3 thereafter
300 & 400	Townsquare Media Inc.	51,288	03/01/16	02/28/26	3/1/17 - \$9.12 3/1/18 - \$12.33 3/1/19 - \$16.66 3/1/20 - \$22.08	2.5% each 3/1 (starting LY 5)
500	Patrick Engineering Inc.	1,219	06/01/15	07/31/18	\$22.66	3% each 8/1
510	Deutsche Bank National Trust Company	371	10/31/02	05/31/18	\$27.00	-
520	Mallard Creek Capital Partners, INC.	2,348	05/01/06	01/31/20	\$21.64	3% each 2/1
700 & 710	Allen C Ewing & CO.	5,045	04/01/07	01/31/19	\$24.05	2.75% each 7/1

OPERATING EXPENSE & REAL ESTATE TAX BASE PSF	PRO RATA SHARE	GROSS-UP	COMMENTS & OPTIONS
2016 Base Stop	10.60%	100%	<p>PSF Calculation: Tenant will pay LY 1 & 2 Base Rent upon a 20,000 RSF assumption. PSF calculation shown on RR is based on the total 22,500 RSF</p> <p>Relocation: LL shall not have the right to relocate the Tenant from the Premises to a new premises</p> <p>Signage: Tenant shall have the right, but not the obligation, to install, at its expense, "eyebrow signage" on the building</p> <p>Renewal: Tenant shall have the right to renew the Term of the Lease for an additional two five (5) year option terms at a rate equal to the Fair Market Value. Tenant must provide LL one hundred eighty (180) days prior written notice.</p> <p>ROFR: LL shall grant to Tenant a right of first refusal to lease contiguous space to Tenant's Premises on the same floor and the full floor above.</p> <p>Expansion: Provided LL has not built out on the remaining space on the second floor, Tenant shall have the Option to Expand its premises on the remaining space of Tenant's floor (Floor 2) during the first three (3) years on the primary Lease term.</p> <p>Exclusivity: LL agrees that it will not during the Term or any extension lease any space in the Building to any other tenant, or consent to a sublease or assignment to AECOM, Land Design, McKim & Creed, and STV/Ralph Whitehead Associates</p> <p>Termination: Tenant shall have a one-time option to terminate the lease, after the expiration of the 60th month in which rent is paid. Tenant shall pay a fee of all unamortized full brokerage commission and Tenant Allowance, amortized over the Lease Term at 8%, plus an additional two (2) months of the then Base Rent.</p> <p>Storage: Beginning 10/1/2015 Tenant began using Storage Space identified as ST13 for an additional \$60/month</p>
2016 Base Stop	24.16%	95%	<p>Base Rent: LY2 \$467,500.00, LY3 \$632,525.00, LY4 \$854,631.00, LY5 \$1,132,247.00</p> <p>Signage: Tenant shall be permitted to install prominent company identification on the exterior of the 4th floor fronting N. Tryon Street and the top of the back of the Building facing Church Street</p> <p>Renewal: Tenant shall have the right to renew the Term of the Lease for an additional two (2) five (5) year options at a rate equal to the fair market value. Tenant must provide notice two hundred seventy (270) days prior to Lease Expiration.</p> <p>ROFR: LL shall grant to Tenant a right of first refusal to lease another full floor of the Building if such floor is vacant</p> <p>Parking: LL shall provide to Tenant two (2) unreserved parking spaces in the First Citizens Parking Deck</p>
2015 Base Stop	0.57%	95%	<p>Security Deposit: \$2,234.83 paid at Lease Execution</p> <p>Relocation: LL shall have the right to relocate Tenant from the Premises to a new premises within the Building</p> <p>OPEX Cap: OPEX increases capped at 7% of the Base Year OPEX per annum</p> <p>Renewal: Tenant shall have the right to renew the Term of the Lease for an additional one (1) option term of three (3) years at a rate equal to the fair market value. Tenant must provide LL one hundred eighty (180) days prior written notice.</p> <p>ROFR: LL shall grant Tenant a right of first refusal to lease the remaining portion of Suite 500</p>
2015 Base Stop	0.17%	95%	<p>Parking: Landlord shall make available to Tenant monthly contracts of three (3) parking spaces</p> <p>Expansion: Tenant amended expansion option, thus surrendering Suite 510</p> <p>Extension: Tenant shall have an option to extend the term of the Lease for an additional two (1) years, commencing June 1, 2018, and ending May 31, 2019 at a rate of \$27.81 provided they give 180 days notice</p> <p>Relocation: LL shall have the option to relocate the Tenant to alternative space in the Building</p>
2014 Base Stop	1.09%	95%	<p>OPEX: Excludes Leasing Commissions, Non-Cash Items</p> <p>OPEX Cap: Annual increase in OPEX shall be capped at CPI plus three percent (3%)</p> <p>Renewal: Tenant has exercised last renewal option</p> <p>Signage: Tenant permitted to install one (1) sign on the exterior of the premises</p> <p>Relocation: LL may substitute for the Premises other space in the Building at any time during the Term or any extension of this Lease</p>
2013 Base Stop	2.35%	95%	<p>Security Deposit: \$7,057.17 paid at Lease Execution</p> <p>Parking: Unreserved spots in First Citizens, not to exceed number specified "1K"</p> <p>Relocation Option: Landlord may substitute for the premises other space in the building at any time during the Term or extension of the Lease</p> <p>Subtenant: Notification for subtenant, ICG Partners, delivered on 3/5/14 to co-occupy Suite 710</p> <p>OPEX Cap: In no event shall Tenant's Proportionate Share of that portion of the increase in OPEX constituting controllable OPEX increase by more than five percent (5%).</p>

RENT ROLL

SUITE	TENANT	LEASE SQUARE FOOTAGE	LEASE BEGINS	LEASE EXPIRES	ESCALATED ANNUAL RENT PSF (As of 5/1/2017)	RENT ESCALATIONS
750	OPTOMI	4,175	01/01/17	01/31/20	\$23.00	3% each 1/1
800	Chicago Title Insurance Company	4,798	01/26/04	09/30/18	\$21.38	3% each 10/1
850	Hedgehog Development, LLC	4,025	03/01/16	06/30/21	\$22.55	2.5% each 3/1
Storage (LL2- 22)	MGAD, LLC (dba Mythic)	287	05/01/15	10/31/22	None	None
900	MGAD, LLC (dba Mythic)	10,220	05/01/15	10/31/22	\$21.53	2.5% each 5/1
1000	The North Highland Company	3,497	04/15/12	07/31/19	\$21.78	2.5% each 5/1
1050	Diversant, LLC	5,108	12/25/13	07/24/21	\$21.54	2.5% each 1/1

OPERATING EXPENSE & REAL ESTATE TAX BASE PSF	PRO RATA SHARE	GROSS-UP	COMMENTS & OPTIONS
2017 Base Stop	1.97%	100%	<p>Relocation: Landlord expressly reserves the right after execution and during the Term of this Lease, or any extension or renewal, to remove the Tenant from the Premises and relocate the Tenant to some other space of LL's choosing of approximately the same size</p> <p>Signage: LL will provide suite entry and building directory signage. Tenant shall also have the right to install its logo in the reception area</p> <p>Renewal: Tenant shall have the right to renew the Term of the Lease for an additional one three (3) year option term at a rate equal to the fair market value for then-comparable office space as determined by LL. Tenant must provide LL with two hundred forty (240) days prior written notice</p>
2012 Base Stop	2.23%	95%	<p>Parking: At tenant's expense, landlord shall allocate three (3) unreserved spaces in First Citizens parking garage</p> <p>Relocation Option: Landlord and Tenant used their only relocation option to move tenant from Suite 800 to Suite 875, renamed "Suite 800"</p> <p>Termination Option: Tenant shall have one (1) option to terminate the Lease after the date that is forty two (42) months following the Second Renewal Commencement Date. If exercised, tenant shall pay unamortized leasing commissions/TI at a rate if eleven percent (11%), as well as two (2) months rent. Tenant must give six (6) months notice prior to the Tenant's intended termination date.</p> <p>Renewal: Tenant may extend the Term of the Lease for one (1) period of three (3) years at a rate equal to the Prevailing Market Rate. Tenant must provide notice not less than six (6) months nor more than twelve (12) months prior to the Expiration Date.</p>
2016 Base Stop	1.9%	95%	<p>Security Deposit: \$14,758.34 paid at Lease Execution</p> <p>ROFO: Tenant shall have the one (1) time right of first offer to lease the premises in the Building that is shown on Schedule 2 as the "Option Space"</p> <p>Renewal: Tenant shall have the right and option to renew the Term of the Lease for one (1) additional term of sixty (60) months at a rate equal to \$8,557.57 per month, escalating at 2.5%. Tenant must provide notice not later than six (6) months before the end of the then current term.</p> <p>Relocation: LL shall have the right to relocate the Tenant from the Premises to other space of LL's choosing</p>
None	N/A	N/A	
2015 Base Stop	4.81%	95%	<p>Security Deposit: \$17,885.00 paid at Lease Execution</p> <p>Administration Charge: Tenant shall pay LL an administrative charge of five percent (5%) of OPEX</p> <p>Renewal: Tenant shall have the right to renew the Term of the Lease for an additional five (5) years at a rate equal to the fair market rate determined by the LL. Tenant must provide LL with one hundred eighty (180) days notice.</p>
2012 Base Stop	1.63%	100%	<p>Security Deposit: \$17,319.40 paid at Lease Execution</p> <p>Management Fee: No greater than 4%</p> <p>Renewal: Tenant shall have one (1) option to extend the Suite 1000 Term for five (5) years at a rate equal to ninety-five percent (95%) of the prevailing market rate of the Existing Lease. Tenant must deliver notice to LL no later than six (6) months and no earlier than nine (9) months prior to July 31, 2019. This may only be exercised for both Suite 1000 & Suite 1100, not one or the other only</p> <p>ROFO: Tenant shall have a one time option to lease the space on the 10th floor of the Building, commonly known as Suite 1050 (5,108 RSF)</p> <p>Termination: Tenant has the option to terminate the Lease as of May 1, 2017, but must pay unamortized LC/Allowance with interest at a rate of seven percent (7%) per annum, and six (6) months of escalated rent. Tenant must notify LL at least nine (9) months and no more than twelve (12) month prior to scheduled termination date.</p>
2014 Base Stop	2.40%	95%	<p>Security Deposit: \$17,026.67 paid at Lease Execution</p> <p>Additional OPEX: Tenant shall also pay LL an admin fee of fifteen percent (15%) of the OPEX Rent, exclusive of utilities, Insurance, and Security</p> <p>Renewal: Tenant shall have the option to renew the Term of the Lease for an additional five (5) years at a rate equal to the Fair Market Rental Value, advised by LL. Tenant must provide LL one hundred eighty (180) days prior written notice.</p>

RENT ROLL

SUITE	TENANT	LEASE SQUARE FOOTAGE	LEASE BEGINS	LEASE EXPIRES	ESCALATED ANNUAL RENT PSF (As of 5/1/2017)	RENT ESCALATIONS
1100	The North Highland Company	10,220	04/15/12	07/31/19	\$24.33	2.5% each 5/1
Storage (LL2-25)	Inmediata Corp	248	11/01/13	03/31/19	\$163.90 / Month	3% each 11/1
1200	Inmediata Corp	10,220	03/01/10	03/31/19	\$22.38	2.75% each 8/1
1400	Colejenest & Stone, P.A.	10,220	01/01/04	06/30/21	\$19.40	3% each 1/1
1500	Signature Healthcare, PPLC	3,676	10/17/13	02/16/21	\$21.81	2.5% each 3/18
1525	Karnes Research Company LLC	1,376	03/01/09	01/22/20	\$24.93	3% each 10/23
Storage (LL2-26)	Charlotte City Partners	248	07/09/06	02/29/28	\$155.00 / Month	None
Storage (LL1-14)	Charlotte City Partners	444	05/01/07	12/31/17	\$250.00 / Month	None

OPERATING EXPENSE & REAL ESTATE TAX BASE PSF	PRO RATA SHARE	GROSS-UP	COMMENTS & OPTIONS
2012 Base Stop	4.75%	100%	<p>Renewal: Tenant shall have one (1) option to extend the Suite 1000 Term for five (5) years at a rate equal to ninety-five percent (95%) of the prevailing market rate of the Existing Lease. Tenant must deliver notice to LL no later than six (6) months and no earlier than nine (9) months prior to July 31, 2019. This may only be exercised for both Suite 1000 & Suite 1100, not one or the other only</p> <p>ROFO: Tenant shall have a one time option to lease the space on the 10th floor of the Building, commonly known as Suite 1050 (5,108 RSF)</p> <p>Termination: Tenant has the option to terminate the Lease as of May 1, 2017, but must pay unamortized LC/Allowance with interest at a rate of seven percent (7%) per annum, and six (6) months of escalated rent. Tenant must notify LL at least nine (9) months and no more than twelve (12) month prior to scheduled termination date.</p>
None	N/A	N/A	
2013 Base Stop	4.81%	100%	<p>Security Deposit: \$3,978 paid at Lease Execution</p> <p>Relocation: At any time after the date of the Lease, LL may substitute for the Premises, other premises in the Building.</p> <p>Renewal: Tenant shall have one (1) option to renew the Lease Term for three (3) years at a rate equal to the anticipated rate in effect for the Premises of the commencement of the renewal term, together with any market rate increased during the renewal term, based upon economic terms in effect for new leases in that area. Tenant must provide LL notice at least two hundred seventy (270) days, but not more than three hundred sixty-five (365) days prior to expiration of the Extension Term.</p> <p>Termination: Tenant shall have the option to terminate the Lease effective upon the last day of the forty-sixth (46th) month of the Extension Term, provided Tenant gives LL two hundred seventy (270) days notice prior to Termination Date. Tenant shall pay a fee equal to the unamortized balance of the Conditional Rent, the Allowance, and Brokerage Commissions. Tenant shall pay equal monthly payments of P&l with interest imputed on the OPB at a rate of eight percent (8%) per annum over a sixty-eight (68) month Amort. Schedule</p> <p>Guarantor: Kenny Crenshaw</p>
2014 Base Stop	4.75%	95%	<p>Security Deposit: \$8,000.00 paid at Lease Execution</p> <p>Parking: At Tenant's expense, LL shall allocate five (5) parking spaces adjacent First Citizens parking garage</p> <p>OPEX Cap: The annual increase in OPEX which are commonly deemed to be controllable shall not exceed five percent (5%)</p>
2014 Base Stop	1.73%	95%	<p>Security Deposit: \$12,406.5 paid at Lease Execution</p> <p>Signage: LL shall, in its discretion, allow a standard floor lobby sign and a front door sign</p> <p>Renewal: Tenant shall have the right to renew the Term of the Lease for an additional five (5) years at a rate equal to the fair market rate determined by the LL in its discretion. Tenant must provide LL one hundred eighty (180) days prior written notice.</p> <p>ROFR: LL shall grant Tenant a one-time option right of first refusal to lease contiguous space to Tenant's Premises on the same floor</p> <p>OPEX Cap: Controllable OPEX paid by Tenant shall not increase by more than five percent (5%) above previous year</p>
2008 Base Stop	0.64%	100%	<p>Security Deposit: \$2,769 paid at Lease Execution.</p> <p>Electric: With the exception of computer servers/equipment, Tenant shall not connect to the Building electric distribution system any fixtures. Tenant agrees to increase in Base Rent for the additional electric service</p> <p>Relocation: At any time after the date of the Lease, LL may substitute for the Premises, other premises in the Building. Relocated in First Amendment</p>
None	N/A	N/A	
None	N/A	N/A	

RENT ROLL

SUITE	TENANT	LEASE SQUARE FOOTAGE	LEASE BEGINS	LEASE EXPIRES	ESCALATED ANNUAL RENT PSF (As of 5/1/2017)	RENT ESCALATIONS
1600 & 1650	Charlotte City Partners	10,220	07/09/06	02/28/26	5/1/17 - \$21.90 5/1/18 - \$22.24 5/1/19 - \$22.59 5/1/20 - \$22.95 5/1/21 - \$23.32 5/1/22 - \$23.70 5/1/23 - \$24.10 5/1/24 - \$24.50 5/1/25 - \$24.92 5/1/26 - \$28.84 5/1/27 - \$29.39	3% each 5/1 on Net Base Rent (Base Rent less Tenant's Proportionate Share of OPEX during the Base Year)
Storage (2-21LL)	Columbus Nova Real Estate Agency	181	01/01/11	01/31/19	\$178.00 / Month	None
1700	Columbus Nova Real Estate Agency	3,167	01/01/11	01/31/19	\$24.04	3% each 8/1

201	Vacant	3,028
500B	Conference Room	1,364
550	Vacant	2,698
600	Vacant	10,220
1550	Vacant	1,989
1555	Vacant	2,243
LL10	Vacant	6,256
LL20	Vacant	5,324
Storage (1-10LL)	Vacant	929
Storage (1-11LL)	Vacant	31
Storage (1-15LL)	Vacant	27
Storage (2-20LL)	Vacant	181
Storage (2-24LL)	Vacant	248
TOTAL - 200 S. Tryon		215,101

OPERATING EXPENSE & REAL ESTATE TAX BASE PSF	PRO RATA SHARE	GROSS-UP	COMMENTS & OPTIONS
2015 Base Stop	4.80%	95%	<p>Security Deposit: \$24,092.25 paid at Lease Execution. Tenant shall have the right to have \$12,046.13 returned after paying twelve (12) months of Rent & no default</p> <p>Storage: Tenant shall have the option to continue to rent its existing storage for \$250.00 a month</p> <p>Renewal: Tenant shall have the right and option to extend the term of the Lease an additional sixty (60) months at a rate equal to 95% of the then prevailing market rent for the building. Tenant must provide LL notice at least one hundred eighty (180) days prior to the expiration of the Term.</p>
None	N/A	N/A	
2011 Base Stop	1.49%	100%	<p>Security Deposit: \$14,550.00 paid at Lease Execution</p> <p>Parking: Tenant shall not be entitled to use any parking spaces</p> <p>Renewal: Tenant shall have one personal and non-transferable option to renew the Lease Term for five (5) years at a rate equal to the anticipated market rent in effect for the Premises as of the commencement of the renewal term based upon rents generally in effect for new leases of space in the area. Tenant must provide LL with notice at least two hundred seventy (270) days, but not more than three hundred sixty-five (365) days prior to the expiration of the Second Extension Term.</p>
Permanent Vacancy			
Permanent Vacancy			

LEASE EXPIRATION

Year	Suite	Expiration	Tenant	SF	Vacant	Conf. Room	2017	2018	2019	2020	2021	2022	2023+
Vacant	201	N/A	Vacant - PVAC	3,028	3,028								
	ST 10	N/A	Vacant - PVAC	929	929								
	ST 11	N/A	Vacant	31	31								
	ST 15	N/A	Vacant	27	27								
	ST 20	N/A	Vacant	181	181								
	ST 24	N/A	Vacant	248	248								
	550	N/A	Vacant	2,698	2,698								
	600	N/A	Vacant	10,220	10,220								
	1500	N/A	Vacant	1,989	1,989								
	1550	N/A	Vacant	2,243	2,243								
	LL20	N/A	Vacant	5,324	5,324								
	LL10	N/A	Vacant	6,256	6,256								
Conf. Room	500B	N/A	Vacant	1,364		1,364							
2017	LL1-14	12/31/2017	Charlotte Center City	444			444						
2018	510	5/31/2018	Deutsche Bank National Trust	371				371					
	500	7/31/2018	Patrick Engineering	1,219				1,219					
	800	9/30/2018	Chicago Title Insurance	4,798				4,798					
2019	700	1/31/2019	Allen C Ewing & Company	5,045				5,045					
	1700	1/31/2019	Columbus Nova	3,167				3,167					
	LL2-21	1/31/2019	Columbus Nova	181				181					
	1200	3/31/2019	Inmediata Corp	10,220				10,220					
	LL2-20	3/31/2019	Inmediata Corp	248				248					
	1000	7/31/2019	North Highland	3,497				3,497					
	1100	7/31/2019	North Highland	10,220				10,220					
2020	1525	1/22/2020	Karnes Research	1,376					1,376				
	520	1/31/2020	Mallard Creek Capital	2,348					2,348				
	750	1/31/2020	OPTOMI	4,175					4,175				
	130	5/31/2020	McCormick & Schmick	7,844					7,844				
	LL1-12	5/31/2020	McCormick & Schmick	485					485				
2021	1500	2/16/2021	Signature Healthcare	3,676					3,676				
	850	6/30/2021	Hedgehog Development	4,025					4,025				
	1400	6/30/2021	ColeJenest & Stone, PA	10,220					10,220				
	1050	7/24/2021	Diversant	5,108					5,108				
2022	LL2-23	3/31/2022	Hazelnuts Creperie	287					287				
	120	3/31/2022	Hazelnuts Creperie	728					728				
	900	10/31/2022	MGAD - Mythic	10,220					10,220				
	LL2-22	10/31/2022	MGAD - Mythic	287					287				
2023	200	1/6/2023	Kimley Horn	22,500						22,500			
	LL1-13	1/6/2023	Kimley Horn	38						38			
2026	300/400	2/28/2026	Townsquare Media	51,288						51,288			
	110	11/30/2026	Jenny Parikh (Pearl Dentistry)	6,080						6,080			
2028	1600	2/29/2028	Charlotte Center City	10,220						10,220			
	LL2-26	2/29/2028	Charlotte Center City	248						248			
Total Building SF				215,101									

	Vacant	Conf. Room	2017	2018	2019	2020	2021	2022	2023+
Annual Expirations - SF	33,174	1,364	444	6,388	32,578	16,228	23,029	11,522	90,374
Annual Expirations - %	15%	1%	0%	3%	15%	8%	11%	5%	42%
Cumulative Expirations - SF	33,174	34,538	34,982	41,370	73,948	90,176	113,205	124,727	215,101
Cumulative Expirations - %	15%	16%	16%	19%	34%	42%	53%	58%	100%



LOAN SIZING

Long-term CMBS fixed rate financing is available from Starwood Mortgage Capital (SMC) for the acquisition of this property. Starwood Mortgage Capital is a direct lender and is a wholly owned subsidiary of Starwood Property Trust, Inc. and LNR Property LLC.

CMBS LONG-TERM FIXED RATE LOAN

- Up to \$22,500,000
- 10-year loan term
- 10-years interest only
- Lowest fixed interest rates available. Rates will vary based on loan-to-purchase price.
- No origination fee
- Non-recourse, except for standard CMBS non-recourse carve-outs

For more information on SMC's loan terms, please refer to the following term sheet and contact:

Steven DeRose
Starwood Mortgage Capital
+1 305 695 5845
sderose@starwood.com

The purpose of this Term Sheet is to set forth the proposed terms and conditions to be considered by Starwood Mortgage Capital LLC ("SMC"), a direct lender and a wholly owned subsidiary of Starwood Property Trust, Inc. and LNR Property LLC, subject to SMC's due diligence, in connection with providing a Loan on the Property (as defined below).

PROPERTY: A 215,101 -square foot office property located in Charlotte, North Carolina known as 200 South Tryon.

Borrower: A single purpose entity controlled by Applicant and formed exclusively for the purpose of owning and operating the Property, which must be organized and structured in a manner acceptable to SMC.

SECURITY/PRIORITY: The Loan will be secured by, among other things, a first priority mortgage lien on the Property, first priority assignment of rents and leases and first lien security interest in personal property collateral, including all equipment, fixtures, goods and all tangible and intangible personal property used in the operation of the Property, and all management, licenses and other agreements for the Property.

LOAN AMOUNT: Up to \$22,500,000, subject to, among other things, (a) a minimum debt service coverage ratio ("DSCR") at closing of 2.00:1.0, (b) a minimum debt yield at closing of 10.00%, (c) a maximum loan-to-value ratio at closing of 60%, and (d) a maximum loan-to-purchase price ratio at closing of 60%, in each case as determined by SMC in its sole and absolute discretion.

TERM: 10-year loan term.

AMORTIZATION: Interest only for the term of the Loan.

RATE: Lowest fixed interest rates available. Call for a current interest rate quote.

PREPAYMENT: No prepayment permitted prior to the earlier of (a) month 36 or (b) two years after securitization of the Loan. Thereafter, Borrower may defease the Loan by (a) depositing an amount sufficient to purchase U.S. Treasury securities whose cash flows are equal to and occur on or before the successive remaining scheduled interest and principal payment dates required under the Loan, including the balloon payment due on the Maturity Date; (b) granting SMC a perfected first priority security interest in the securities with an opinion of counsel to such effect; and (c) paying all costs incurred in such transfer.

LIMITED REOURSE: The Loan will be non-recourse, except for standard CMBS non-recourse carve-outs.

ASSUMPTION: After the first year of the Loan term, the Loan may be assumed multiple times, each time by a qualified buyer acceptable to SMC for a fee equal to 1% of the outstanding principal balance (but not less than \$15,000) per assumption.

SUBORDINATE FINANCING: No other financing, whether secured or unsecured, and no pledge of any direct or indirect ownership interest in Borrower, shall be permitted.

RESERVES: Upfront at Closing. At closing, Borrower will fund the following amounts with SMC:

- (a) Required Repairs/Remediation. Immediate repairs, deferred maintenance and environmental matters, as indicated by the Third-Party Reports to be obtained by SMC, in an amount equal to 125% of the estimated costs or as otherwise determined by SMC.
- (b) Taxes and Insurance. Reserves for taxes and insurance sufficient to make the next payment of real estate taxes and insurance premiums one month prior to the due date, or "in full" if due within 60 days after closing.
- (c) Prepaid Debt Service. Interest on the Loan for the first "stub" month and the first full scheduled monthly payment on the loan.
- (d) Rent Concession/TI/LC. Reserve for all unpaid tenant improvements, unpaid leasing commissions, and future rent concessions contained in the leases of the Property as of the closing date. Provided no default shall have occurred, funds in this reserve will be released to pay for such costs and released to Borrower upon the expiration of the applicable concession period.
- (e) TI/LC. Reserve for tenant improvement and leasing commissions (the "TI/LC Reserve") in an amount to be determined by SMC, estimated to be \$200,000.

Ongoing Reserves. During the term of the Loan, Borrower will fund the following reserves on a monthly basis so long as the Loan is outstanding unless otherwise indicated:

- (a) Taxes and Insurance. Reserves for the annual amount estimated for taxes and insurance, payable monthly in twelve equal installments.
- (b) TI/LC Reserve. Reserve for ongoing TI/LC in an amount estimated to be \$0.75/square foot/year. Notwithstanding the foregoing, provided that no event of default then exists, monthly deposits into this Reserve shall be suspended at any time that the balance in this Reserve is at least equal to \$1,000,000.

(c) Replacement / Repairs. Reserves for ongoing replacement and repairs in an amount to be determined by a property condition report.

SMC may require additional upfront or ongoing reserves after completion of SMC's underwriting.

CASH MANAGEMENT: At closing, Borrower shall establish a restricted lockbox account (the "Restricted Account") for the benefit of SMC at a bank satisfactory to SMC in its sole discretion. Upon a Trigger Event (defined below) Tenants at the Property will be directed to pay all rent directly into the Restricted Account, whereby all amounts on deposit in the Restricted Account will be transferred to an account designated by SMC (the "Cash Management Account"), the monthly Loan payments required under the Loan Documents (including, but not limited to, debt service payments and reserve payments) will be made from the Cash Management Account, and any remaining amounts on deposit in the Cash Management Account (the "Excess Cash Flow") will be retained in an account controlled by SMC (the "Excess Cash Flow Reserve") as additional collateral for the Loan.

"Trigger Event" shall mean any one or more of the following events: (a) an event of default occurs under the Loan, or (b) the DSCR at the Property (based on the trailing 12 calendar months, as calculated by SMC) falls below 1.35:1.0 or (c) the tenant known as Town Square Media ("TSQ"), or any other tenant that leases the space currently occupied by TSQ (a "Major Tenant"), defaults under its lease, goes dark, terminates, or gives notice of its intention to terminate its lease, sublets or becomes a debtor in bankruptcy, or (d) the tenant known as TSQ fails to renew/extend its lease at least 12 months prior to its lease expiration date (each, a "Major Tenant Trigger Event").

Following a Trigger Event related to the DSCR test in (b) above, should the DSCR at the Property (based on the trailing 12 calendar months, as calculated by SMC) rise above 1.45:1.0 for two consecutive calendar quarters, any Excess Cash Flow on deposit in the Excess Cash Flow Reserve will be disbursed to the Borrower and the monthly Excess Cash Flow will thereafter be disbursed to the Borrower.

LOAN SIZING

LOAN APPROVAL: The Loan is subject to SMC's approval in its sole discretion in accordance with SMC's credit policy and credit approval process following completion of SMC's due diligence.

GENERAL CLOSING CONDITIONS & REQUIREMENTS: The closing of the Loan would be subject to satisfactory completion by SMC of its due diligence, including review and approval of all information that SMC deems pertinent, and Borrower's satisfaction of SMC's closing requirements. SMC's closing requirements include, without limitation:

- a) providing satisfactory insurance coverage in amounts and types and through a provider acceptable to SMC;
- b) providing satisfactory title insurance and a survey acceptable to SMC's counsel;
- c) executing SMC's standard loan documentation;
- d) providing organizational documents which meet SMC's requirements for single purpose bankruptcy remote entities;
- e) obtaining satisfactory estoppels and, as applicable, subordination, non-disturbance and attornment agreements;
- f) delivering satisfactory opinions of counsel;
- g) providing satisfactory evidence of compliance with all laws, including zoning, building code and health and safety requirements, which evidence shall include a zoning report prepared by SMC's zoning consultant.

ORIGINATION FEE: None.

FEES AND DEPOSITS: Borrower would be required to pay the following fees and deposits:

- (a) \$5,000 is due upon receipt of an Application, representing a nonrefundable Application Fee.
- (b) \$15,000 is due upon SMC's receipt of an Application, representing a third-party expense deposit (the "Third-Party Deposit"). The Third-Party Deposit will be used to engage appraisal, engineering, environmen-

tal and other consultants and to pay SMC's out-of-pocket expenses. Upon the closing of the Loan, the Third-Party Deposit, less SMC's out-of-pocket expenses, will be refunded to Borrower.

- (c) \$35,000 is due upon SMC's receipt of an Application, representing a legal expense deposit (the "Legal Expense Deposit"). The Legal Expense Deposit will be used to engage SMC's legal counsel and to pay SMC's legal fees and expenses. Upon the closing of the Loan, the Legal Expense Deposit, less SMC's out-of-pocket legal fees and expenses, will be refunded to Borrower.

OUTSIDE CLOSING DATE: The Loan must close within the timeframe as set forth in the purchase agreement with the seller.

CONTACT INFO:

Steve DeRose

Starwood Mortgage Capital, LLC
1601 Washington Avenue, Suite 800,
Miami Beach, FL 33139
305-695-5845 Direct
sderose@starwood.com

This Term Sheet is not, and shall not be construed to be, a contract or commitment by SMC to provide financing with respect to the Property. No agreement (whether written, oral or otherwise) that may be reached during negotiations with respect to financing the Property, nor any course of dealing between the parties, shall constitute a commitment by SMC to lend or otherwise be binding upon the parties unless a binding commitment letter and/or final binding loan documents have been executed, delivered and accepted by all parties.



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