Central SOMA: heart of the City
Overview – Fall 2010

- **Asset:**
  - Vacant gutted dated building in prime location.
  - 408,500 sf existing office space entitled expansion to 522,000 sf
  - 2 acre site

- **Capital Stack**
  - Loan Maturity
  - Capital Partner Unable to Fund Loan Payoff or Go Forward Costs

- **Business Plan**
  - Multiple long term business plans being considered.
  - Office Renovation
  - Convert to Residential
  - Moscone Center Expansion and Upzone
680 Folsom Building Features

- Existing 425,000sf gutted office building
- Located in the heart of SOMA, adjacent to Moscone Center
- Entitled for office rehabilitation and expansion
- Large Floorplate - 34,700 sq ft - 2x current code
- 15’ deck-to-deck (11’0” finished ceiling/10’6” Vision Glass)
- Unobstructed Views
- Parking in excess of Code Allowed
Gutted Interior - 15’ Deck to Deck
BEST ACCESS TO:

- RESTAURANTS
- FITNESS
- SHOPPING
- ENTERTAINMENT AND CULTURAL ATTRACTIONS
- HOTELS
- TRANSIT, PARKING AND FREEWAYS
100+ restaurants within 10 minute walk
All major retail within 10-minute walk
Six gyms within five minute walk
Entertainment & cultural hub of the City
Premier hotels & conference facilities
Proximity to transit
Proximity parking & freeways

US 101 begins 1.3 mi from 680 Folsom

I-80 begins 1.0 mi from 680 Folsom

I-280 begins 1.0 mi from 680 Folsom

US 101 begins 1.3 mi from 680 Folsom

MoMA Garage 411 stalls

Moscone Garage 730 stalls

Museum Parc Garage 500 stalls

5th & Mission Garage 2,585 stalls
Existing and Office Planned Renovation
Existing and Office Planned Renovation
Lobby (30’ Ceiling)
Unobstructed Views
5,000sf Private Roof Deck
High Density Occupancy

375 WORKSTATIONS,
16 CONFERENCE ROOMS
# 680 Folsom Summary of Cost & Returns

<table>
<thead>
<tr>
<th></th>
<th>($m)</th>
<th>($psf)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Value</td>
<td>24.0</td>
<td>46</td>
</tr>
<tr>
<td>Soft Costs</td>
<td>18.0</td>
<td>35</td>
</tr>
<tr>
<td>Hard Costs</td>
<td>132.5</td>
<td>254</td>
</tr>
<tr>
<td>Tenant Improvements</td>
<td>44.4</td>
<td>85</td>
</tr>
<tr>
<td>Leasing Commissions</td>
<td>11.1</td>
<td>21</td>
</tr>
<tr>
<td>Finance/carry</td>
<td>24.3</td>
<td>47</td>
</tr>
<tr>
<td><strong>Total costs</strong></td>
<td><strong>254.3</strong></td>
<td><strong>488</strong></td>
</tr>
<tr>
<td>Stabilized NOI</td>
<td>22.0</td>
<td>42</td>
</tr>
<tr>
<td>Return on cost</td>
<td>8.8%</td>
<td>-</td>
</tr>
</tbody>
</table>
Project Timeline

**March 2007**
Acquired from PacBell for $78m

**Spring 2008**
Entitled for Expansion to 522,000sf

**May 2010**
Maturity Default

**October 2010**
Recapitalized in $24m Short Sale

**2011**
Value Engineering

**January 2012**
- Signed Riverbed lease
  - 10 yrs; 167,788 sf (32% NRA)

**February 2012**
- Signed Macy's.com lease
  - 15 yrs; 242,753 sf (47% NRA)

**March 2012**
- Expanded Riverbed by 35k sf
- Selected Heleba/Nord as construction lenders
- Began construction
  - (85% pre-leased)

**August 2012**
Sold to Boston Properties for $128.5m

**November 2013**
Scheduled completion
680 Folsom Street

TMG Partners and Rockwood Capital