



SAND HILL PROPERTY COMPANY

June 19, 2018

David Brandt
City Manager
City of Cupertino
10300 Torre Ave
Cupertino, CA 95014

Re: Vallco Town Center SB 35 Application – Updated Supplemental Information

Dear David:

In advance of the City's 90-day compliance determination of our Vallco Town Center SB 35 application, we wanted to restate and update our June 1, 2018 letter which provided the City with further explanatory and supplemental information. This letter does not change the March 27, 2018 development submittal, but rather is submitted to provide greater clarifications, explanations, and supplemental application materials. This updated letter supersedes our June 1, 2018 letter. We hope you find it helpful.

First, attached as Exhibit A are figures and tables depicting the detailed uses and square footages for each floor of every block in the Project. While perhaps unnecessary to your determination, we thought this additional level of granularity on the uses and square footage calculations for all areas of the project may avoid any misunderstanding.¹

The Project complies with SB 35's two-thirds residential requirement and the requirements of Cupertino Municipal Code ("CMC") Section 19.08.030 regarding floor area calculations. All rooftop spaces indicated as MEP are "exterior" roof spaces and are not counted in the area calculations. All non-residential basements and parking facilities, as defined in CMC Section 19.08.030, conform to CMC Section 19.28.070(I) and are not included in the area calculations. Interior building areas are calculated pursuant to CMC requirements and anticipate future tenant improvements, which will introduce compliant

¹ While preparing these documents, we identified a discrepancy in the "Building Block Allocation" table found on page P-0101 of the plan set. This was simply the result of an Excel formula error and does not affect any of the design or the Development Summary. A brief explanation and updated table is attached as Exhibit C. As the City completes the design review and public oversight portion of the SB 35 process, the plan set will be updated with this table, as well as any other minor revisions that result from the SB 35 process.

finished floor-to-ceiling heights at the time of tenant improvement building permit applications. Exhibit A provides illustrative finished ceiling locations for each floor.

In addition to the above floor area compliance explanation, as a conservative exercise to clearly demonstrate compliance, we have also provided floor area calculations with certain areas double-counted in a separate table pursuant to CMC Section 19.08.030. In this calculation, ground floor heights higher than 20 feet are assumed not to have compliant finished floor-to-ceiling heights and thus are double-counted, and all floors above the ground floor with ceiling heights taller than 15 feet assumed not to have compliant finished floor-to-ceiling heights (i.e. floors 6 through 8 in the Block 11 office building) are double counted. Even with this conservative calculation, the Project complies with SB 35's two-thirds residential requirement.

We also wanted to provide some additional detail regarding the “amenity” component of the residential use. Based on project characteristics and the spectrum of expected resident profiles, and after a review of select analogous projects (existing and planned) throughout the Silicon Valley, San Francisco, and Los Angeles markets, we determined that in order for the Project to be considered first-class and competitive it will be important that we provide a robust residential amenity program for the future residents. At roughly 550,000 square feet in area (just over 10% of the total residential area of the project), the residential amenity facilities are anticipated to include (but not be limited to) fitness and wellness facilities (traditional fitness centers with strength & cardio; sauna/steam/jacuzzi; yoga/pilates/spin training areas; indoor basketball courts; indoor squash; indoor climbing; and indoor golf training), resident lounge and function facilities (libraries; grand ball rooms and various lounge areas geared toward entertainment/gaming, coffee, gourmet kitchen, event screening and wet bar), and resident services facilities (storage; bike storage; bike repair stations; pet care/wash; child care; cafes; massage and spa space; dry cleaning and concierge). These residential amenities will only be open to the residents and their guests. This information on the residential amenity program is not meant to be exhaustive but rather illustrative and subject to change.²

Second, we are providing additional documentation demonstrating that the two density bonus concessions will result in identifiable and actual cost reductions. These cost reductions in turn will assist in providing the below market rate (“BMR”) units. In particular, The Concord Group's analysis, dated June 1, 2018 and attached as Exhibit B, demonstrates that current and forecasted retail market conditions only justify 400,000 square feet of retail at the project and that reducing the minimum retail area requirement from 600,000 to 400,000 square feet would result in project cost reductions. Based on

² We understand that some in the community have asked about the uses proposed for the “bridge” area above Wolfe Road, and if that should count towards the residential areas. Although the details of the program have not been finalized, this area is planned to house various types of residential amenity uses, including primarily some combination of the fitness and wellness facilities described above. We also note that this area is not necessary in order to meet the two-thirds residential requirement. Even if the 41,000 square feet were counted as non-residential, 67.4% of the development would still be dedicated toward residential uses.

this analysis, building 200,000 fewer square feet of retail would avoid \$160,000,000 in cost using a mid-range cost of \$800 per square foot provided by Economic & Planning Systems, Inc. (“EPS”), the City’s economic consultant, during the opening of the Vallco Specific Plan’s Charrette #2. The requirement to develop 600,000 square feet of retail, which is 200,000 square feet more than the market would demand, would result in at least \$60,000,000 in additional, *wholly unrecoverable* costs. In addition to demonstrating that this concession directly results in the avoidance of an approximate \$60,000,000 loss, there are less tangible considerations, like the chilling effect vacant retail storefronts visible to the public have on street level vitality, lease-up and/or the performance of the balance of retail in the project, or of the residential and office components.

As for the concession eliminating certain design requirements for below market rate units, cost reductions will be achieved as follows:

- First, the BMR units are smaller than the comparable studio and 1-bedroom market rate units because building units of a smaller area reduces costs. EPS also reported last week that for every square foot of BMR unit developed, the developer realizes a straight loss of \$250 to \$300 (which we believe to be much too low). Using the mid-range loss of \$275 per square foot, a 527-square foot 1-bedroom BMR unit would result in \$92,400 less loss than an 863-square foot 1-bedroom. Further, the rent for BMR units is set by unit type, not sizes, so if larger area BMRs of a certain unit type were built, the additional loss would not be offset by any increased rental income.
- Second, BMR units are limited to studios and 1-bedrooms and do not include units with two or more bedrooms, which also achieves cost reductions. Of course, units with more bedrooms are by necessity larger, which increases cost and loss. In addition, while BMR units with a greater number of bedrooms allow for nominal rent limit increases, such increases are not commensurate with the incremental project costs resulting from the additional areas built. For example, according to the most recent rent limits published by the City, a 1-bedroom BMR unit affordable to the very low-income level can be rented for \$1,195 per month, and a 2-bedroom BMR unit affordable to the very low income level can be rented for \$1,344 per month. Based on the \$275 loss per square foot and an estimated 250 square foot difference between a 1-bedroom and a 2-bedroom, loss resulting from providing the 1-bedroom would be less by approximately \$68,750, while rent would only be \$149 per month less than the 2-bedroom (which avoids an abnormally low 2.6% return-on-cost).

For these reasons, eliminating certain below market rate design requirements will result in cost reductions for the project that will allow for the construction of the project’s affordable housing.

In sum, the concessions we are requesting will result in material reductions in project cost and the avoidance of tens of millions of dollars in loss. These savings will assist in the successful development of the project’s 1,201 BMR units. To illustrate this, let’s again look to EPS’s loss projection of \$250 to \$300 per square foot of BMR. While we believe

these values significantly *understate* the actual loss associated with the 1,201 BMR units proposed in our project, if we apply EPS's mid-range figure of \$275 of loss per square foot of BMR to the 617,000 square feet of the project's BMR "unit" area (which does not take into consideration any allocation of the garage or amenity areas and their associated costs), we would see a very conservative projection of the loss associated with our proposed BMR units – in this case, no less than -\$170,000,000. The cost reductions and savings due to the requested concessions will serve to offset a portion, at least \$60,000,000, of that loss.

Finally, we wanted to provide additional background on the density bonus aspect of the project. We first assumed and started with a "pre-bonus" or General Plan consistent project, and then added the 35% increase in density and made other modifications allowed by the concessions. This "pre-bonus" project included the following program: 1,810,000 square feet of office, 600,000 square feet of retail, and 1,778 residential units within 4,820,000 residential square feet (including amenity and garage space). This program is consistent with the General Plan and still designates at least two-thirds of the square footage for residential uses.

Under the Density Bonus Law, the Project qualifies for a 35% density bonus. When making that calculation, "each component of any density calculation, including base density and bonus density, resulting in fractional units shall be separately rounded up to the next whole number." Government Code § 65915(q). The property is 50.82 acres, meaning that under the 35 du/acre General Plan density standard, the "base density" is 1,778.7 units, which is rounded up to 1,779 units. When this base density is increased by 35%, the total is 2,401.65, which is also rounded up to the next whole number for a total of 2,402 units in this application.

In addition to additional density, density bonus projects qualify for concessions, which frequently provide relief from development standards contained in a General Plan or zoning. Here, we made modifications to the "pre-bonus" project to account for the two concessions identified above: i) reducing the retail from the 600,000 square feet minimum in the General Plan down to 400,000 square feet and ii) increasing the number of residential units without meeting the identical design requirement in Cupertino's density bonus code. With these two modifications allowed by the concessions, we arrived at the final design that was included in the SB 35 application: 1,810,000 million square feet of office, 400,000 square feet of retail, and 4,700,000 square feet of residential uses (including 2,402 units).

Further, under the CMC, while the below market rate units must generally be dispersed throughout a project, any bonus units are "permitted in geographic areas of the housing development other than the areas where the affordable units are located." The Project meets this requirement by dispersing the below market rate units generally throughout the Project, except for a few areas primarily where the "bonus" units are located.

The LEED CS v3 Scorecard for Office Core and Shell is attached as Exhibit D, and the LEED NC v3 Scorecard for Retail / Residential New Construction is attached as Exhibit E. The Project will meet or exceed the CMC's LEED Silver requirement. We are

committed to working with staff over the course of design review to achieve the highest LEED certifications possible.

Additionally, the Water Efficient Landscape Checklist is attached as Exhibit F. The Project will comply with the provisions of the CMC's Landscape Ordinance (Chapter 14.15). We will provide a compliant Appendix B and Landscape Documentation Package prior to final permit issuance (See CMC § 14.15.050).

As stated in Appendix B of the application's Project Description, we will comply with CMC Section 14.18.160 requirements for tree replacements for all trees proposed for removal. Project plans call for more than 1,000 new replacement trees (which is greater than two for every one removed), all of which will be native or drought tolerant species. In addition, Project plans show that replacement trees will range in size from 15 gallons to 36 inches and up to 48-inch box sizes, which is in compliance with CMC Section 14.18.160A as shown below:

Table 14.18.160A - Replacement Tree Guidelines

| Diameter of Trunk Size of Removed Tree (Measured 4½ feet above grade) | Replacement Trees |
|------------------------------------------------------------------------------------------------------|---------------------------------------|
| Up to 12 inches* | One 24" box tree |
| Over 12 inches and up to 18 inches | Two 24" box trees or One 36" box tree |
| Over 18 inches and up to 36 inches | |
| Over 36 inches | One 36" box tree |
| Heritage tree | One 48" box tree |
| * Does not apply to R1, A1, A, RHS, and R2 zones except required privacy plantings trees in R1 zones | |

Per CMC Section 14.18.160A(2) and B, we will continue to work with the City's arborists to determine the appropriate location, size, and quantity of all replacement trees prior to tree removal permit issuance. If tree replacement is not possible as determined by the Director Community Development, we agree to pay in lieu fees pursuant to CMC Section 14.18.160B.

To assist the City with compliance with General Plan Strategy LU-8.2.1, we will prepare a study that evaluates the fiscal impacts of converting the existing Vallco Mall into the mixed-use development proposed by this SB 35 Application.

Our experienced team worked for months to ensure that all technical, planning and legal aspects of our submittal would comply with all requirements of the State's important new housing related legislation. We remain available to respond to any questions and look forward to your determination.

Sincerely,

A handwritten signature in blue ink, appearing to be 'Aarti Shrivastava', written in a cursive style.

Reed Moulds

CC: Aarti Shrivastava

Attachments:

Exhibit A: Supplemental Area Calculations

Exhibit B: Analysis of Cost Reductions Associated with Reduced Retail

Exhibit C: Building Block Allocation – Updated Table

Exhibit D: LEED CS v3 Scorecard for Office Core and Shell

Exhibit E: LEED NC v3 Scorecard for Retail / Residential New Construction

Exhibit F: Water Efficient Landscape Checklist

Exhibit A: Supplemental Area Calculations

Vallco Town Center – Supplemental Area Calculations

June 15, 2018

I. Floor Area Calculations

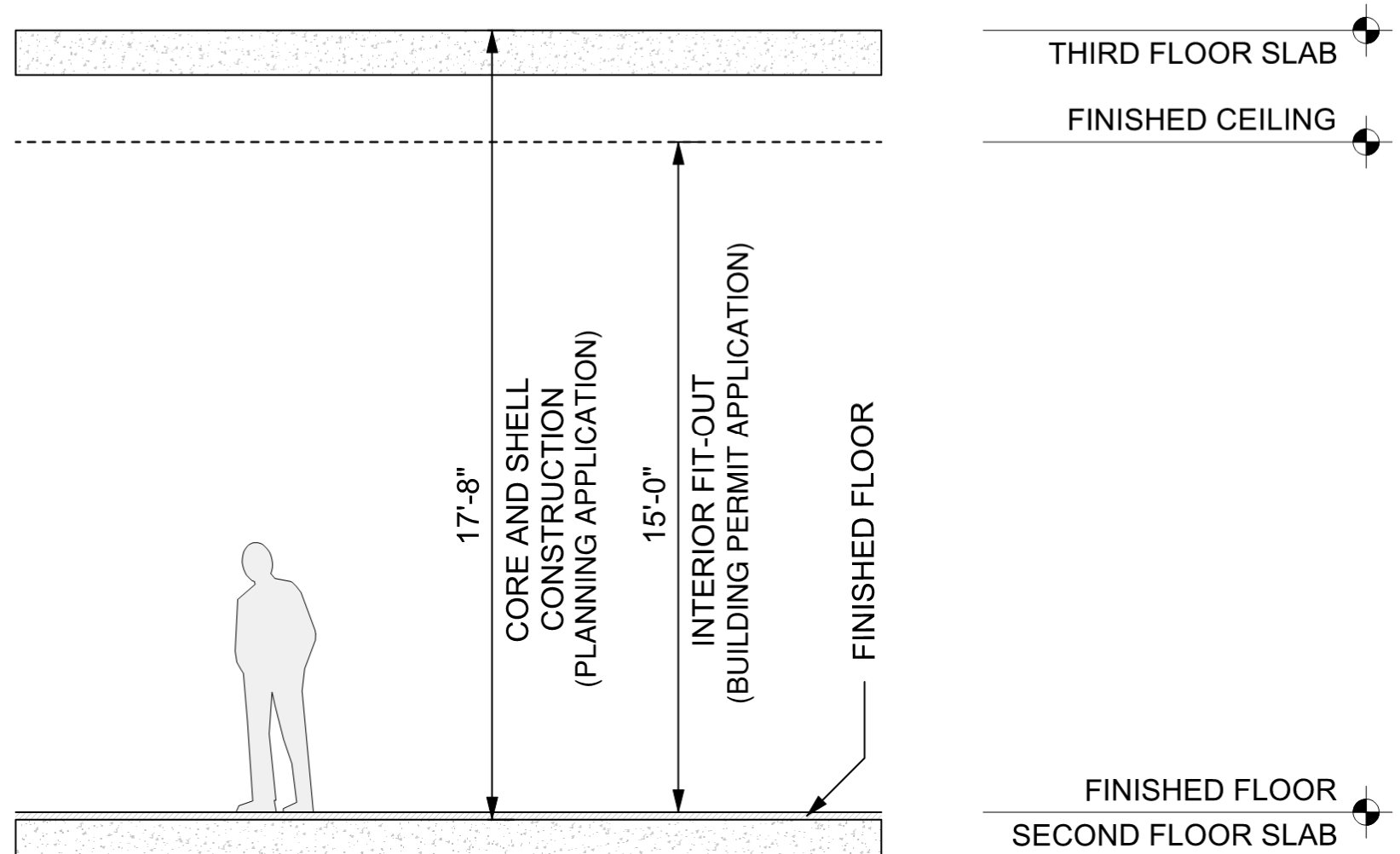
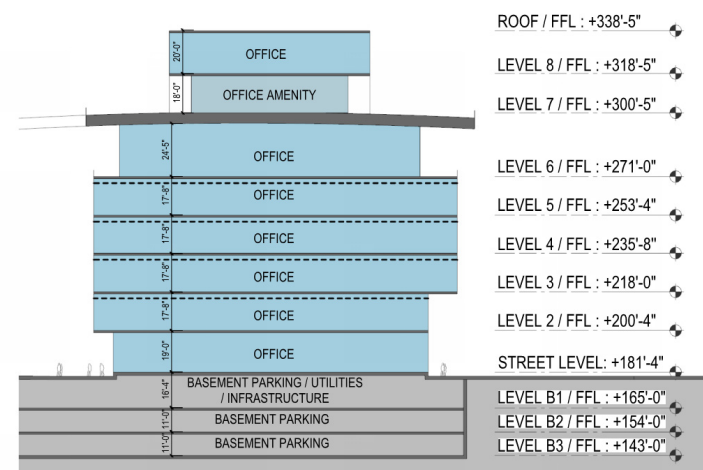
| Project Total | | | | | | | | | | | | | | | | |
|--------------------|----------------|----------------|------------------|----------|----------------|----------------|---------------|----------------|----------------|----------------|----------------|----------------|------------------|--|------------------|---------------|
| | Block 1 | Block 2 | Block 3 | Block 3A | Block 4 | Block 5 | Bridge | Block 6 | Block 7 | Block 8 | Block 9 | Block 10 | Block 11 | | TOTAL | (%) |
| Unit | 104,893 | 449,991 | 802,863 | - | 304,932 | 248,229 | - | - | - | - | 409,524 | 393,908 | - | | 2,714,340 | - |
| Amenity | 1,918 | 58,400 | 144,543 | - | 74,508 | 58,872 | 41,000 | - | - | - | 90,623 | 80,191 | - | | 550,055 | - |
| Parking | - | 158,370 | 418,156 | - | 254,413 | 214,912 | - | - | - | - | 209,853 | 179,901 | - | | 1,435,605 | - |
| Residential | 106,811 | 666,761 | 1,365,562 | | 633,853 | 522,013 | 41,000 | - | | | 710,000 | 654,000 | - | | 4,700,000 | 68.0% |
| Office | - | - | - | | - | - | | 247,000 | 282,000 | 242,000 | - | - | 1,039,000 | | 1,810,000 | 26.2% |
| Retail | 220,189 | 83,239 | 14,438 | | 66,147 | 15,987 | | - | - | - | - | - | - | | 400,000 | 5.8% |
| Total | 327,000 | 750,000 | 1,380,000 | | 700,000 | 538,000 | 41,000 | 247,000 | 282,000 | 242,000 | 710,000 | 654,000 | 1,039,000 | | 6,910,000 | 100.0% |

II. Floor Area Calculations *Alternate Calculation with Double-Counted Area for Extra-Tall Ceilings*

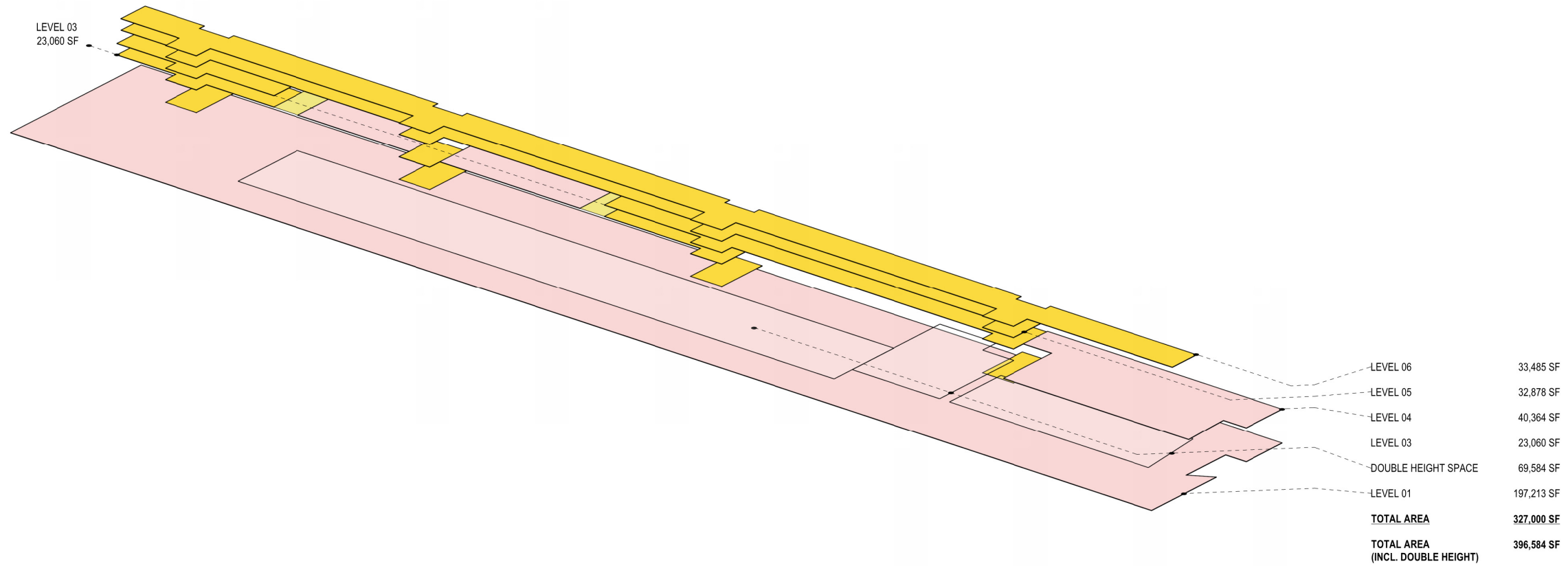
| Project Total | | | | | | | | | | | | | | | | |
|--------------------|----------------|----------------|------------------|----------|----------------|----------------|---------------|----------------|----------------|----------------|----------------|----------------|------------------|--|------------------|---------------|
| | Block 1 | Block 2 | Block 3 | Block 3A | Block 4 | Block 5 | Bridge | Block 6 | Block 7 | Block 8 | Block 9 | Block 10 | Block 11 | | TOTAL | (%) |
| Unit | 104,893 | 449,991 | 802,863 | - | 304,932 | 248,229 | - | - | - | - | 409,524 | 393,908 | - | | 2,714,340 | - |
| Amenity | 1,918 | 82,989 | 188,871 | - | 96,430 | 76,763 | 78,326 | - | - | - | 108,356 | 95,850 | - | | 729,503 | - |
| Parking | - | 177,425 | 438,632 | - | 287,055 | 225,195 | - | - | - | - | 209,853 | 179,901 | - | | 1,518,061 | - |
| Residential | 106,811 | 710,405 | 1,430,366 | | 688,417 | 550,187 | 78,326 | - | - | - | 727,733 | 669,659 | - | | 4,961,904 | 66.8% |
| Office | - | - | - | | - | - | | 247,000 | 282,000 | 242,000 | - | - | 1,210,447 | | 1,981,447 | 26.7% |
| Retail | 289,773 | 91,403 | 14,438 | | 74,311 | 15,987 | | - | - | - | - | - | - | | 485,912 | 6.5% |
| Total | 396,584 | 801,808 | 1,444,804 | | 762,728 | 566,174 | 78,326 | 247,000 | 282,000 | 242,000 | 727,733 | 669,659 | 1,210,447 | | 7,429,263 | 100.0% |

OFFICE TENANT FIT-OUT METHODOLOGY

Typical Floor



BLOCK 1

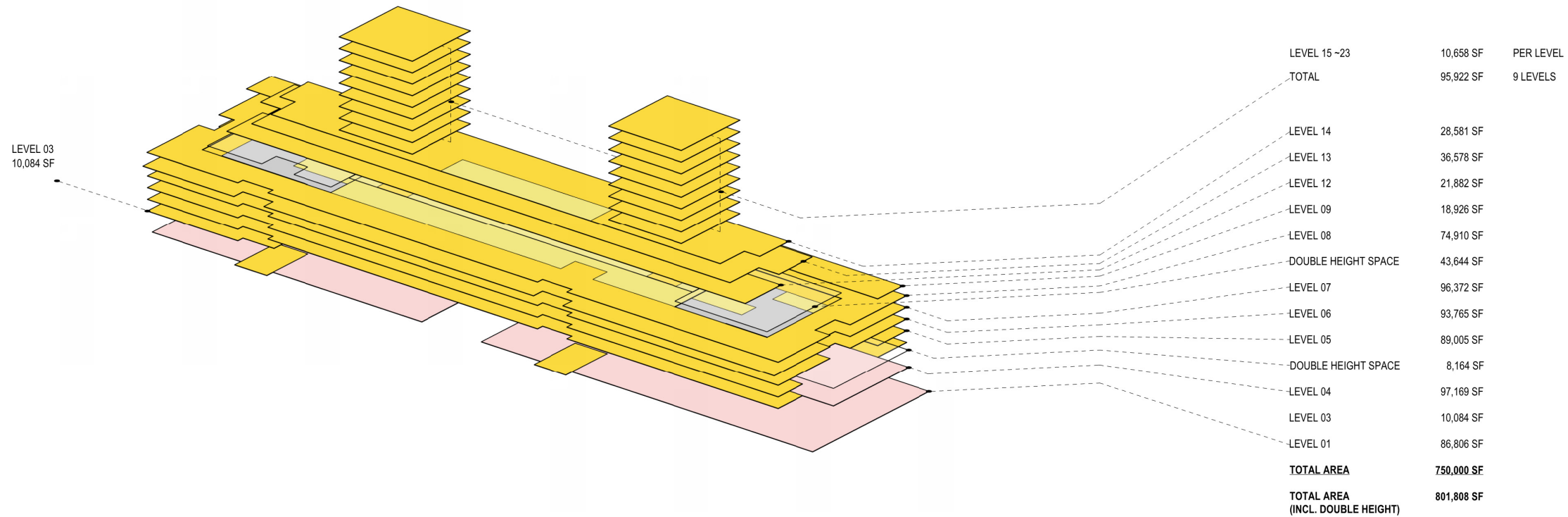


AREA CALCULATION WITH DOUBLE COUNTING EXTRA SPACES

| BLOCK 1 | RESIDENTIAL | | | TOTAL RESIDENTIAL AREA | TOTAL OFFICE AREA | TOTAL RETAIL AREA | TOTAL FLOOR AREA | DOUBLE HEIGHT SPACES AREA CALCULATION | TOTAL FLOOR AREA (INCL. DOUBLE HEIGHT SPACES AREA) |
|---------------------------------|-------------------|-----------------|--------------|------------------------|-------------------|-------------------|-------------------|---------------------------------------|----------------------------------------------------|
| | UNIT AREA* | AMENITY AREA | PARKING AREA | | | | | | |
| LEVEL 15 TO 23 (TOTAL 9 FLOORS) | | | | | | | | | |
| LEVEL 14 | | | | | | | | | |
| LEVEL 13 | | | | | | | | | |
| LEVEL 12 | | | | | | | | | |
| LEVEL 11 | | | | | | | | | |
| LEVEL 10 | | | | | | | | | |
| LEVEL 09 | | | | | | | | | |
| LEVEL 08 | | | | | | | | | |
| LEVEL 07 | | | | | | | | | |
| LEVEL 06 | 33,485 SF | | | 33,485 SF | | | 33,485 SF | | 33,485 SF |
| LEVEL 05 | 32,878 SF | | | 32,878 SF | | | 32,878 SF | | 32,878 SF |
| LEVEL 04 | 21,506 SF | 1,918 SF | | 23,424 SF | | 16,940 SF | 40,364 SF | | 40,364 SF |
| LEVEL 03 | 11,019 SF | | | 11,019 SF | | 12,041 SF | 23,060 SF | | 23,060 SF |
| LEVEL 02 | | | | | | | | | |
| LEVEL 01 | 6,005 SF | | | 6,005 SF | | 191,208 SF | 197,213 SF | 69,584 SF | 266,797 SF |
| TOTAL BLOCK AREA | 104,893 SF | 1,918 SF | | 106,811 SF | | 220,189 SF | 327,000 SF | 69,584 SF | 396,584 SF |

NOTE* : UNIT AREA INCLUDES UNITS, CORES, CORRIDORS & LOBBIES.

BLOCK 2

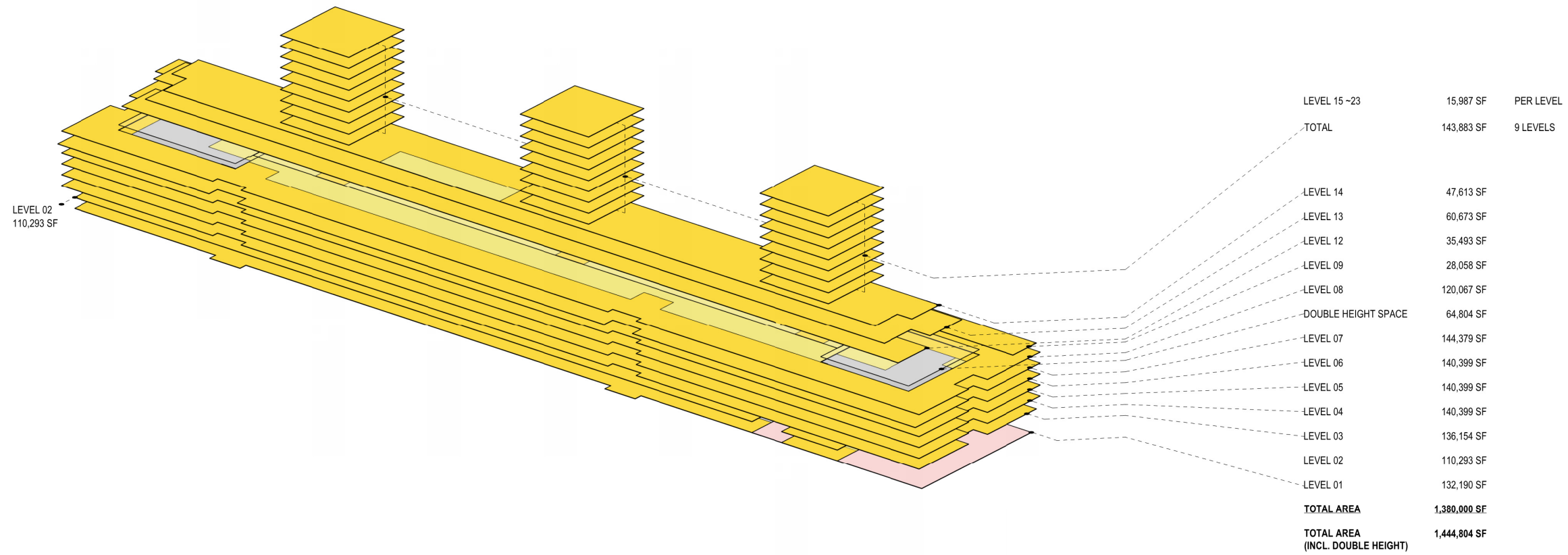


AREA CALCULATION WITH
DOUBLE COUNTING EXTRA SPACES

| BLOCK 2 | RESIDENTIAL | | | TOTAL RESIDENTIAL AREA | TOTAL OFFICE AREA | TOTAL RETAIL AREA | TOTAL FLOOR AREA | DOUBLE HEIGHT SPACES AREA CALCULATION | TOTAL FLOOR AREA (INCL. DOUBLE HEIGHT SPACES AREA) |
|---------------------------------|-------------------|------------------|-------------------|------------------------|-------------------|-------------------|-------------------|---------------------------------------|----------------------------------------------------|
| | UNIT AREA* | AMENITY AREA | PARKING AREA | | | | | | |
| LEVEL 15 TO 23 (TOTAL 9 FLOORS) | 95,922 SF | | | 95,922 SF | | | 95,922 SF | | 95,922 SF |
| LEVEL 14 | 24,579 SF | 4,002 SF | | 28,581 SF | | | 28,581 SF | | 28,581 SF |
| LEVEL 13 | 36,578 SF | | | 36,578 SF | | | 36,578 SF | | 36,578 SF |
| LEVEL 12 | 21,882 SF | | | 21,882 SF | | | 21,882 SF | | 21,882 SF |
| LEVEL 11 | | | | | | | | | |
| LEVEL 10 | | | | | | | | | |
| LEVEL 09 | 18,926 SF | | | 18,926 SF | | | 18,926 SF | | 18,926 SF |
| LEVEL 08 | 46,788 SF | 28,122 SF | | 74,910 SF | | | 74,910 SF | | 74,910 SF |
| LEVEL 07 | 49,749 SF | 11,394 SF | 35,229 SF | 96,372 SF | | | 96,372 SF | 43,644 SF | 140,016 SF |
| LEVEL 06 | 46,912 SF | 6,934 SF | 39,919 SF | 93,765 SF | | | 93,765 SF | | 93,765 SF |
| LEVEL 05 | 44,500 SF | 3,974 SF | 40,531 SF | 89,005 SF | | | 89,005 SF | | 89,005 SF |
| LEVEL 04 | 44,500 SF | 3,974 SF | 40,531 SF | 89,005 SF | | 8,164 SF | 97,169 SF | 8,164 SF | 105,333 SF |
| LEVEL 03 | 10,084 SF | | | 10,084 SF | | | 10,084 SF | | 10,084 SF |
| LEVEL 02 | | | | | | | | | |
| LEVEL 01 | 9,571 SF | | 2,160 SF | 11,731 SF | | 75,075 SF | 86,806 SF | | 86,806 SF |
| TOTAL BLOCK AREA | 449,991 SF | 58,400 SF | 158,370 SF | 666,761 SF | | 83,239 SF | 750,000 SF | 51,808 SF | 801,808 SF |

NOTE : UNIT AREA INCLUDES UNITS, CORES, CORRIDORS & LOBBIES.

BLOCK 3

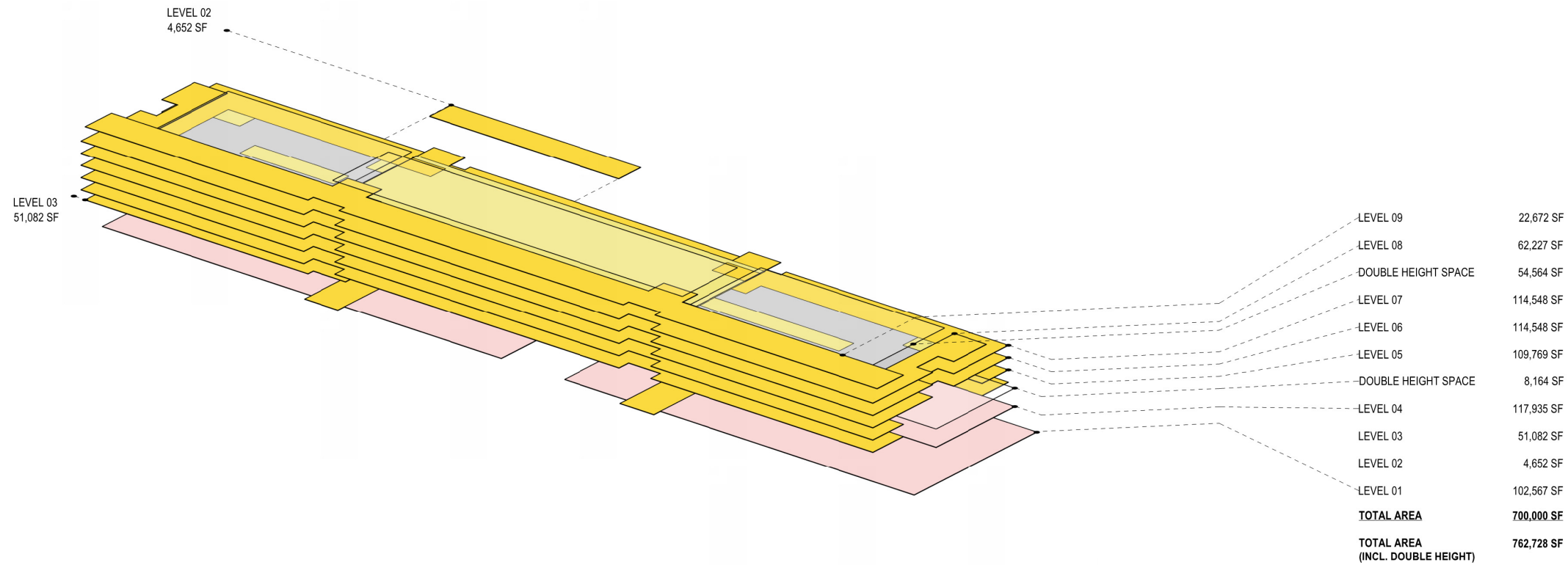


AREA CALCULATION WITH
DOUBLE COUNTING EXTRA SPACES

| BLOCK 3 | RESIDENTIAL | | | TOTAL RESIDENTIAL AREA | TOTAL OFFICE AREA | TOTAL RETAIL AREA | TOTAL FLOOR AREA | DOUBLE HEIGHT SPACES AREA CALCULATION | TOTAL FLOOR AREA (INCL. DOUBLE HEIGHT SPACES AREA) |
|---------------------------------|-------------------|-------------------|-------------------|------------------------|-------------------|-------------------|---------------------|---------------------------------------|----------------------------------------------------|
| | UNIT AREA* | AMENITY AREA | PARKING AREA | | | | | | |
| LEVEL 15 TO 23 (TOTAL 9 FLOORS) | 143,883 SF | | | 143,883 SF | | | 143,883 SF | | 143,883 SF |
| LEVEL 14 | 40,630 SF | 6,983 SF | | 47,613 SF | | | 47,613 SF | | 47,613 SF |
| LEVEL 13 | 60,673 SF | | | 60,673 SF | | | 60,673 SF | | 60,673 SF |
| LEVEL 12 | 35,493 SF | | | 35,493 SF | | | 35,493 SF | | 35,493 SF |
| LEVEL 11 | | | | | | | | | |
| LEVEL 10 | | | | | | | | | |
| LEVEL 09 | 28,058 SF | | | 28,058 SF | | | 28,058 SF | | 28,058 SF |
| LEVEL 08 | 67,171 SF | 52,896 SF | | 120,067 SF | | | 120,067 SF | | 120,067 SF |
| LEVEL 07 | 71,415 SF | 19,684 SF | 53,280 SF | 144,379 SF | | | 144,379 SF | 64,804 SF | 209,183 SF |
| LEVEL 06 | 67,171 SF | 11,210 SF | 62,018 SF | 140,399 SF | | | 140,399 SF | | 140,399 SF |
| LEVEL 05 | 67,171 SF | 10,691 SF | 62,537 SF | 140,399 SF | | | 140,399 SF | | 140,399 SF |
| LEVEL 04 | 67,171 SF | 10,691 SF | 62,537 SF | 140,399 SF | | | 140,399 SF | | 140,399 SF |
| LEVEL 03 | 62,926 SF | 10,691 SF | 62,537 SF | 136,154 SF | | | 136,154 SF | | 136,154 SF |
| LEVEL 02 | 41,673 SF | 8,908 SF | 59,712 SF | 110,293 SF | | | 110,293 SF | | 110,293 SF |
| LEVEL 01 | 49,428 SF | 12,789 SF | 55,535 SF | 117,752 SF | | 14,438 SF | 132,190 SF | | 132,190 SF |
| TOTAL BLOCK AREA | 802,863 SF | 144,543 SF | 418,156 SF | 1,365,562 SF | | 14,438 SF | 1,380,000 SF | 64,804 SF | 1,444,804 SF |

NOTE: * UNIT AREA INCLUDES UNITS, CORES, CORRIDORS & LOBBIES.

BLOCK 4

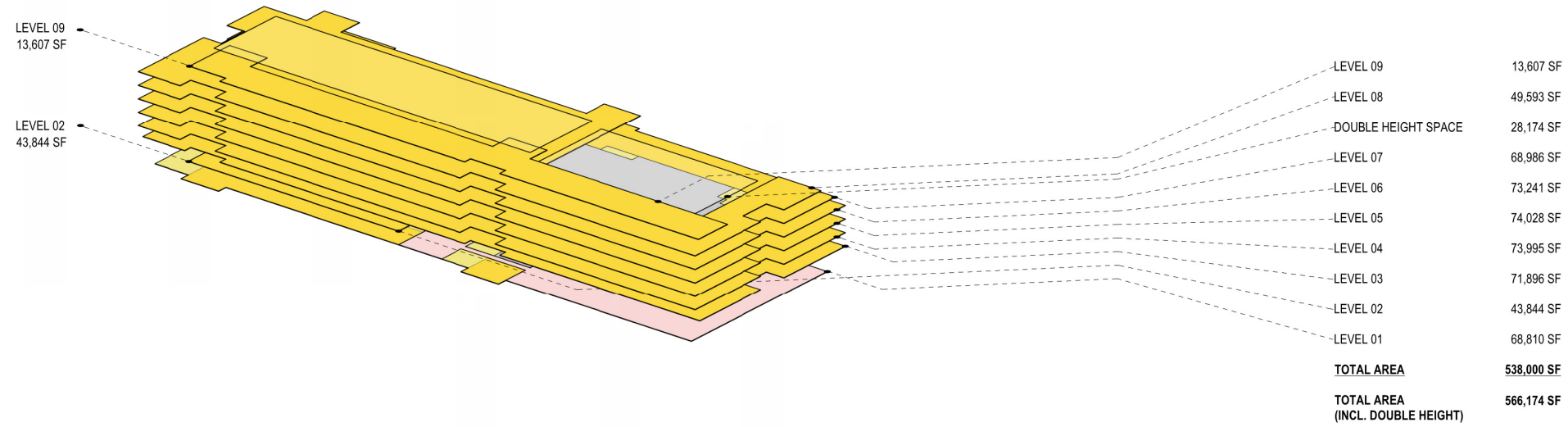


AREA CALCULATION WITH DOUBLE COUNTING EXTRA SPACES

| BLOCK 4 | RESIDENTIAL | | | TOTAL RESIDENTIAL AREA | TOTAL OFFICE AREA | TOTAL RETAIL AREA | TOTAL FLOOR AREA | DOUBLE HEIGHT SPACES AREA CALCULATION | TOTAL FLOOR AREA (INCL. DOUBLE HEIGHT SPACES AREA) |
|---------------------------------|-------------------|------------------|-------------------|------------------------|-------------------|-------------------|------------------|---------------------------------------|----------------------------------------------------|
| | UNIT AREA* | AMENITY AREA | PARKING AREA | | | | | | |
| LEVEL 15 TO 23 (TOTAL 9 FLOORS) | | | | | | | | | |
| LEVEL 14 | | | | | | | | | |
| LEVEL 13 | | | | | | | | | |
| LEVEL 12 | | | | | | | | | |
| LEVEL 11 | | | | | | | | | |
| LEVEL 10 | | | | | | | | | |
| LEVEL 09 | 22,672 SF | | | 22,672 SF | | | | | 22,672 SF |
| LEVEL 08 | 32,696 SF | 29,531 SF | | 62,227 SF | | | | | 62,227 SF |
| LEVEL 07 | 54,575 SF | 12,721 SF | 47,252 SF | 114,548 SF | | | 54,564 SF | | 169,112 SF |
| LEVEL 06 | 54,575 SF | 4,322 SF | 55,651 SF | 114,548 SF | | | | | 114,548 SF |
| LEVEL 05 | 52,106 SF | 3,435 SF | 54,228 SF | 109,769 SF | | | | | 109,769 SF |
| LEVEL 04 | 52,106 SF | 2,926 SF | 54,739 SF | 109,771 SF | | 8,164 SF | | 8,164 SF | 126,099 SF |
| LEVEL 03 | 21,971 SF | 1,766 SF | 27,345 SF | 51,082 SF | | | | | 51,082 SF |
| LEVEL 02 | 4,652 SF | | | 4,652 SF | | | | | 4,652 SF |
| LEVEL 01 | 9,579 SF | 19,807 SF | 15,198 SF | 44,584 SF | | 57,983 SF | | | 102,567 SF |
| TOTAL BLOCK AREA | 304,932 SF | 74,508 SF | 254,413 SF | 633,853 SF | | 66,147 SF | | 62,728 SF | 762,728 SF |

NOTE*: UNIT AREA INCLUDES UNITS, CORES, CORRIDORS & LOBBIES.

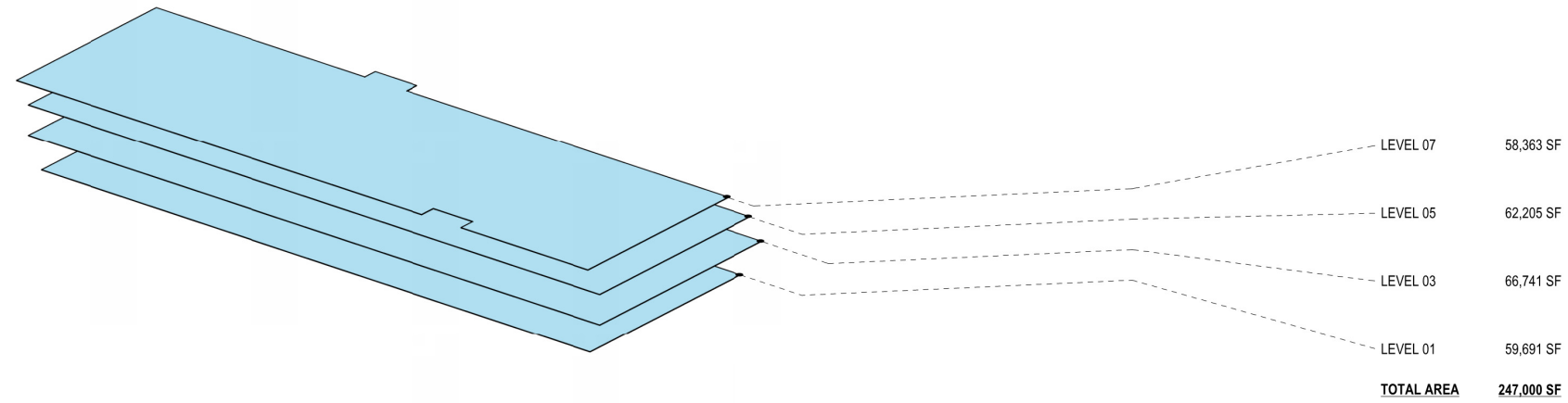
BLOCK 5



| BLOCK 5 | RESIDENTIAL | | | TOTAL RESIDENTIAL AREA | TOTAL OFFICE AREA | TOTAL RETAIL AREA | TOTAL FLOOR AREA | AREA CALCULATION WITH DOUBLE COUNTING EXTRA SPACES | |
|---------------------------------|-------------------|------------------|-------------------|------------------------|-------------------|-------------------|-------------------|----------------------------------------------------|----------------------------------------------------|
| | UNIT AREA* | AMENITY AREA | PARKING AREA | | | | | DOUBLE HEIGHT SPACES AREA CALCULATION | TOTAL FLOOR AREA (INCL. DOUBLE HEIGHT SPACES AREA) |
| LEVEL 15 TO 23 (TOTAL 9 FLOORS) | | | | | | | | | |
| LEVEL 14 | | | | | | | | | |
| LEVEL 13 | | | | | | | | | |
| LEVEL 12 | | | | | | | | | |
| LEVEL 11 | | | | | | | | | |
| LEVEL 10 | | | | | | | | | |
| LEVEL 09 | 13,607 SF | | | 13,607 SF | | | 13,607 SF | | 13,607 SF |
| LEVEL 08 | 24,979 SF | 24,614 SF | | 49,593 SF | | | 49,593 SF | | 49,593 SF |
| LEVEL 07 | 36,747 SF | 3,776 SF | 28,463 SF | 68,986 SF | | | 68,986 SF | 28,174 SF | 97,160 SF |
| LEVEL 06 | 37,259 SF | 3,076 SF | 32,906 SF | 73,241 SF | | | 73,241 SF | | 73,241 SF |
| LEVEL 05 | 36,792 SF | 4,377 SF | 32,859 SF | 74,028 SF | | | 74,028 SF | | 74,028 SF |
| LEVEL 04 | 35,483 SF | 5,662 SF | 32,850 SF | 73,995 SF | | | 73,995 SF | | 73,995 SF |
| LEVEL 03 | 33,384 SF | 5,662 SF | 32,850 SF | 71,896 SF | | | 71,896 SF | | 71,896 SF |
| LEVEL 02 | 13,745 SF | 3,257 SF | 26,842 SF | 43,844 SF | | | 43,844 SF | | 43,844 SF |
| LEVEL 01 | 16,233 SF | 8,448 SF | 28,142 SF | 52,823 SF | | 15,987 SF | 68,810 SF | | 68,810 SF |
| TOTAL BLOCK AREA | 248,229 SF | 58,872 SF | 214,912 SF | 522,013 SF | | 15,987 SF | 538,000 SF | 28,174 SF | 566,174 SF |

NOTE* : UNIT AREA INCLUDES UNITS, CORES, CORRIDORS & LOBBIES.

BLOCK 6

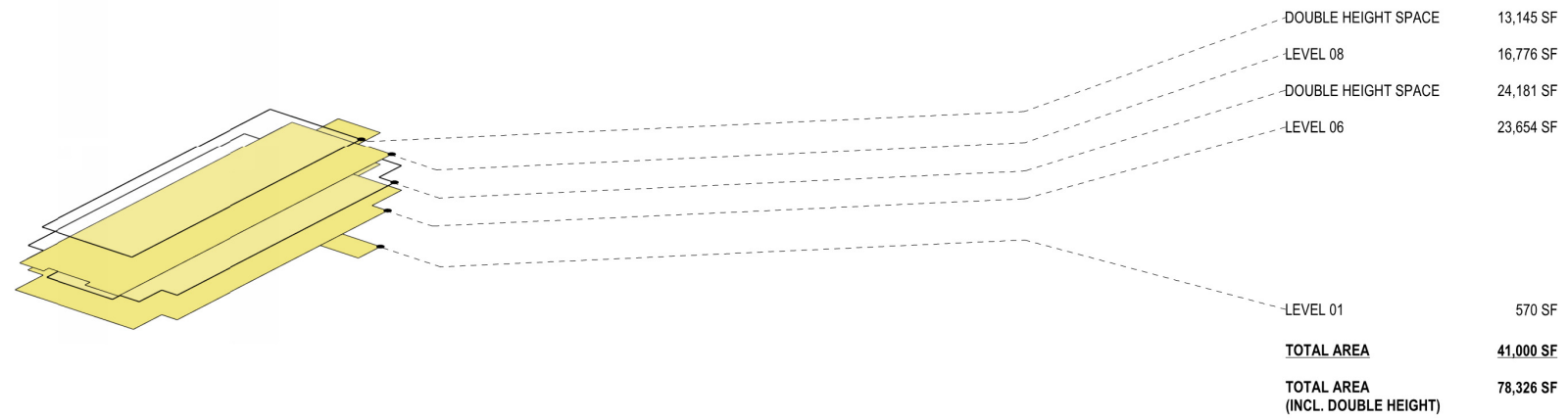


AREA CALCULATION WITH DOUBLE COUNTING EXTRA SPACES

| BLOCK 6 | RESIDENTIAL | | | TOTAL RESIDENTIAL AREA | TOTAL OFFICE AREA | TOTAL RETAIL AREA | TOTAL FLOOR AREA | DOUBLE HEIGHT SPACES AREA CALCULATION | TOTAL FLOOR AREA (INCL. DOUBLE HEIGHT SPACES AREA) |
|---------------------------------|-------------|--------------|--------------|------------------------|-------------------|-------------------|-------------------|---------------------------------------|----------------------------------------------------|
| | UNIT AREA* | AMENITY AREA | PARKING AREA | | | | | | |
| LEVEL 15 TO 23 (TOTAL 9 FLOORS) | | | | | | | | | |
| LEVEL 14 | | | | | | | | | |
| LEVEL 13 | | | | | | | | | |
| LEVEL 12 | | | | | | | | | |
| LEVEL 11 | | | | | | | | | |
| LEVEL 10 | | | | | | | | | |
| LEVEL 09 | | | | | | | | | |
| LEVEL 08 | | | | | | | | | |
| LEVEL 07 (FOURTH FLOOR) | | | | | 58,363 SF | | 58,363 SF | | |
| LEVEL 06 | | | | | | | | | |
| LEVEL 05 (THIRD FLOOR) | | | | | 62,205 SF | | 62,205 SF | | |
| LEVEL 04 | | | | | | | | | |
| LEVEL 03 (SECOND FLOOR) | | | | | 66,741 SF | | 66,741 SF | | |
| LEVEL 02 | | | | | | | | | |
| LEVEL 01 (FIRST FLOOR) | | | | | 59,691 SF | | 59,691 SF | | |
| TOTAL BLOCK AREA | | | | | 247,000 SF | | 247,000 SF | | |

NOTE*: UNIT AREA INCLUDES UNITS, CORES, CORRIDORS & LOBBIES.

BRIDGE OVER WOLFE

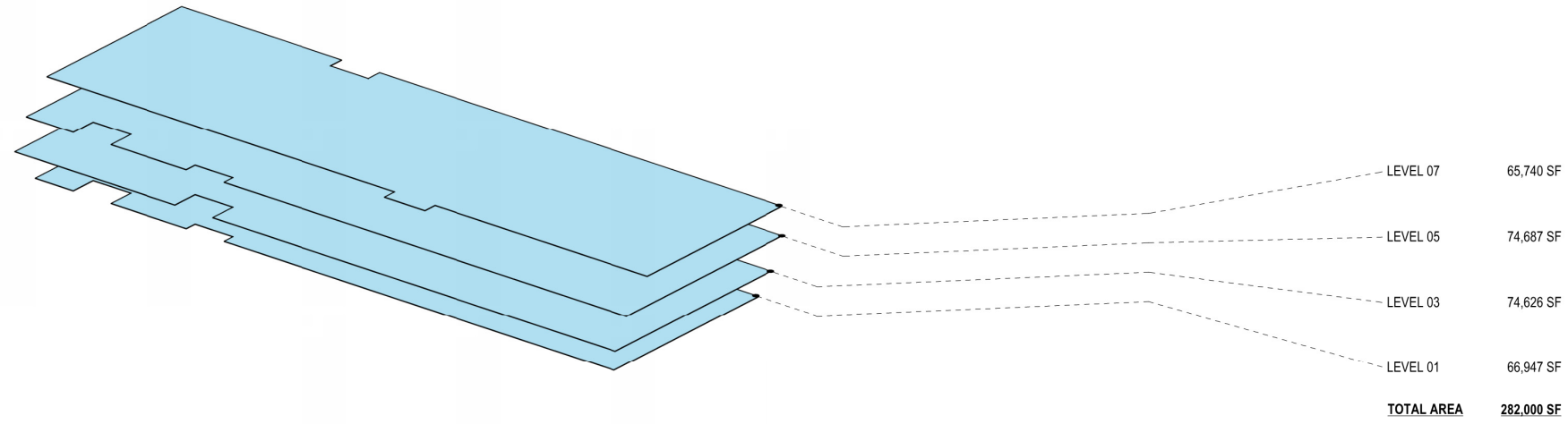


AREA CALCULATION WITH DOUBLE COUNTING EXTRA SPACES

| BRIDGE | RESIDENTIAL | | | TOTAL RESIDENTIAL AREA | TOTAL OFFICE AREA | TOTAL RETAIL AREA | TOTAL FLOOR AREA | DOUBLE HEIGHT SPACES AREA CALCULATION | TOTAL FLOOR AREA (INCL. DOUBLE HEIGHT SPACES AREA) |
|---------------------------------|-------------|--------------|--------------|------------------------|-------------------|-------------------|------------------|---------------------------------------|----------------------------------------------------|
| | UNIT AREA* | AMENITY AREA | PARKING AREA | | | | | | |
| LEVEL 15 TO 23 (TOTAL 9 FLOORS) | | | | | | | | | |
| LEVEL 14 | | | | | | | | | |
| LEVEL 13 | | | | | | | | | |
| LEVEL 12 | | | | | | | | | |
| LEVEL 11 | | | | | | | | | |
| LEVEL 10 | | | | | | | | | |
| LEVEL 09 | | | | | | | | | |
| LEVEL 08 | | 16,776 SF | | 16,776 SF | | | 16,776 SF | 13,145 SF | 29,921 SF |
| LEVEL 07 | | | | | | | | | |
| LEVEL 06 | | 23,654 SF | | 23,654 SF | | | 23,654 SF | 24,181 SF | 47,835 SF |
| LEVEL 05 | | | | | | | | | |
| LEVEL 04 | | | | | | | | | |
| LEVEL 03 | | | | | | | | | |
| LEVEL 02 | | | | | | | | | |
| LEVEL 01 | | 570 SF | | 570 SF | | | 570 SF | | 570 SF |
| TOTAL BLOCK AREA | | 41,000 SF | | 41,000 SF | | | 41,000 SF | 37,326 SF | 78,326 SF |

NOTE* : UNIT AREA INCLUDES UNITS, CORES, CORRIDORS & LOBBIES.

BLOCK 7

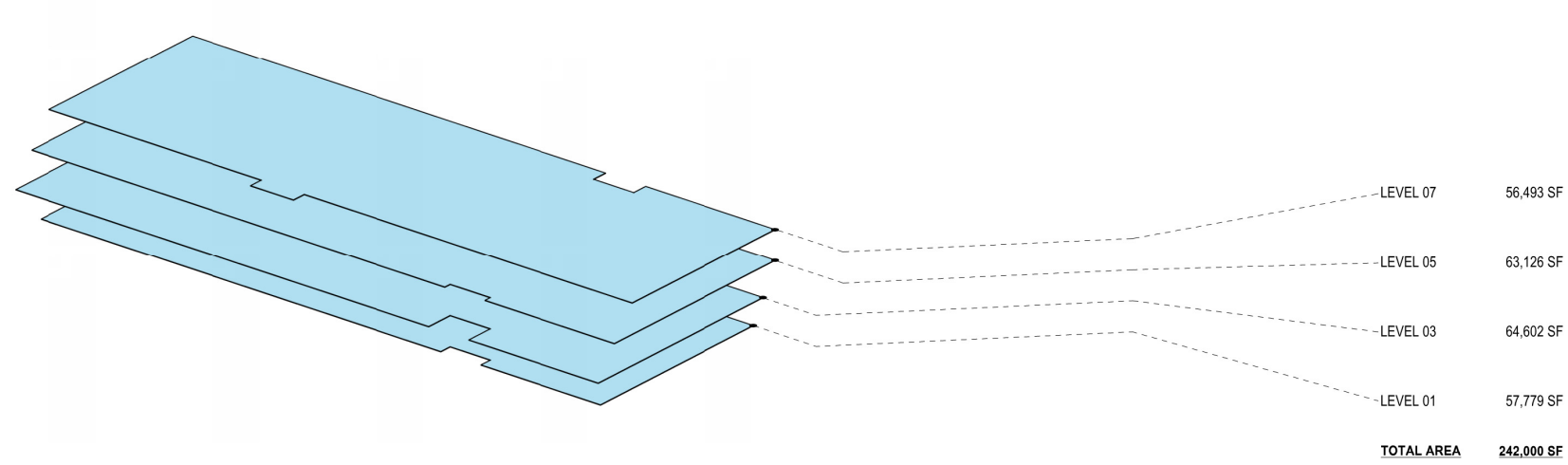


AREA CALCULATION WITH
DOUBLE COUNTING EXTRA SPACES

| BLOCK 7 | RESIDENTIAL | | | TOTAL RESIDENTIAL AREA | TOTAL OFFICE AREA | TOTAL RETAIL AREA | TOTAL FLOOR AREA | DOUBLE HEIGHT SPACES AREA CALCULATION | TOTAL FLOOR AREA (INCL. DOUBLE HEIGHT SPACES AREA) |
|---------------------------------|-------------|--------------|--------------|------------------------|-------------------|-------------------|-------------------|---------------------------------------|----------------------------------------------------|
| | UNIT AREA* | AMENITY AREA | PARKING AREA | | | | | | |
| LEVEL 15 TO 23 (TOTAL 9 FLOORS) | | | | | | | | | |
| LEVEL 14 | | | | | | | | | |
| LEVEL 13 | | | | | | | | | |
| LEVEL 12 | | | | | | | | | |
| LEVEL 11 | | | | | | | | | |
| LEVEL 10 | | | | | | | | | |
| LEVEL 09 | | | | | | | | | |
| LEVEL 08 | | | | | | | | | |
| LEVEL 07 (FOURTH FLOOR) | | | | | 65,740 SF | | 65,740 SF | | |
| LEVEL 06 | | | | | | | | | |
| LEVEL 05 (THIRD FLOOR) | | | | | 74,687 SF | | 74,687 SF | | |
| LEVEL 04 | | | | | | | | | |
| LEVEL 03 (SECOND FLOOR) | | | | | 74,626 SF | | 74,626 SF | | |
| LEVEL 02 | | | | | | | | | |
| LEVEL 01 (FIRST FLOOR) | | | | | 66,947 SF | | 66,947 SF | | |
| TOTAL BLOCK AREA | | | | | 282,000 SF | | 282,000 SF | | |

NOTE* : UNIT AREA INCLUDES UNITS, CORES, CORRIDORS & LOBBIES.

BLOCK 8

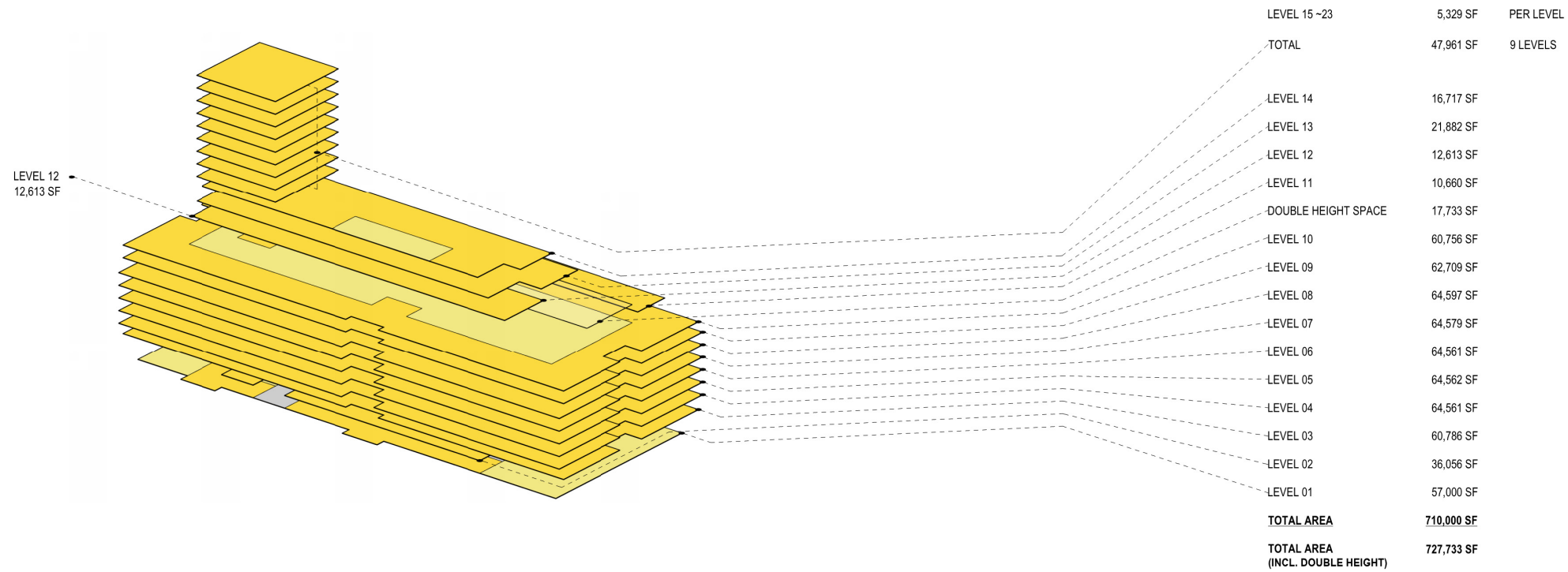


AREA CALCULATION WITH DOUBLE COUNTING EXTRA SPACES

| BLOCK 8 | RESIDENTIAL | | | TOTAL RESIDENTIAL AREA | TOTAL OFFICE AREA | TOTAL RETAIL AREA | TOTAL FLOOR AREA | DOUBLE HEIGHT SPACES AREA CALCULATION | TOTAL FLOOR AREA (INCL. DOUBLE HEIGHT SPACES AREA) |
|---------------------------------|-------------|--------------|--------------|------------------------|-------------------|-------------------|-------------------|---------------------------------------|----------------------------------------------------|
| | UNIT AREA* | AMENITY AREA | PARKING AREA | | | | | | |
| LEVEL 15 TO 23 (TOTAL 9 FLOORS) | | | | | | | | | |
| LEVEL 14 | | | | | | | | | |
| LEVEL 13 | | | | | | | | | |
| LEVEL 12 | | | | | | | | | |
| LEVEL 11 | | | | | | | | | |
| LEVEL 10 | | | | | | | | | |
| LEVEL 09 | | | | | | | | | |
| LEVEL 08 | | | | | | | | | |
| LEVEL 07 (FOURTH FLOOR) | | | | | 56,493 SF | | 56,493 SF | | |
| LEVEL 06 | | | | | | | | | |
| LEVEL 05 (THIRD FLOOR) | | | | | 63,126 SF | | 63,126 SF | | |
| LEVEL 04 | | | | | | | | | |
| LEVEL 03 (SECOND FLOOR) | | | | | 64,602 SF | | 64,602 SF | | |
| LEVEL 02 | | | | | | | | | |
| LEVEL 01 (FIRST FLOOR) | | | | | 57,779 SF | | 57,779 SF | | |
| TOTAL BLOCK AREA | | | | | 242,000 SF | | 242,000 SF | | |

NOTE* : UNIT AREA INCLUDES UNITS, CORES, CORRIDORS & LOBBIES.

BLOCK 9

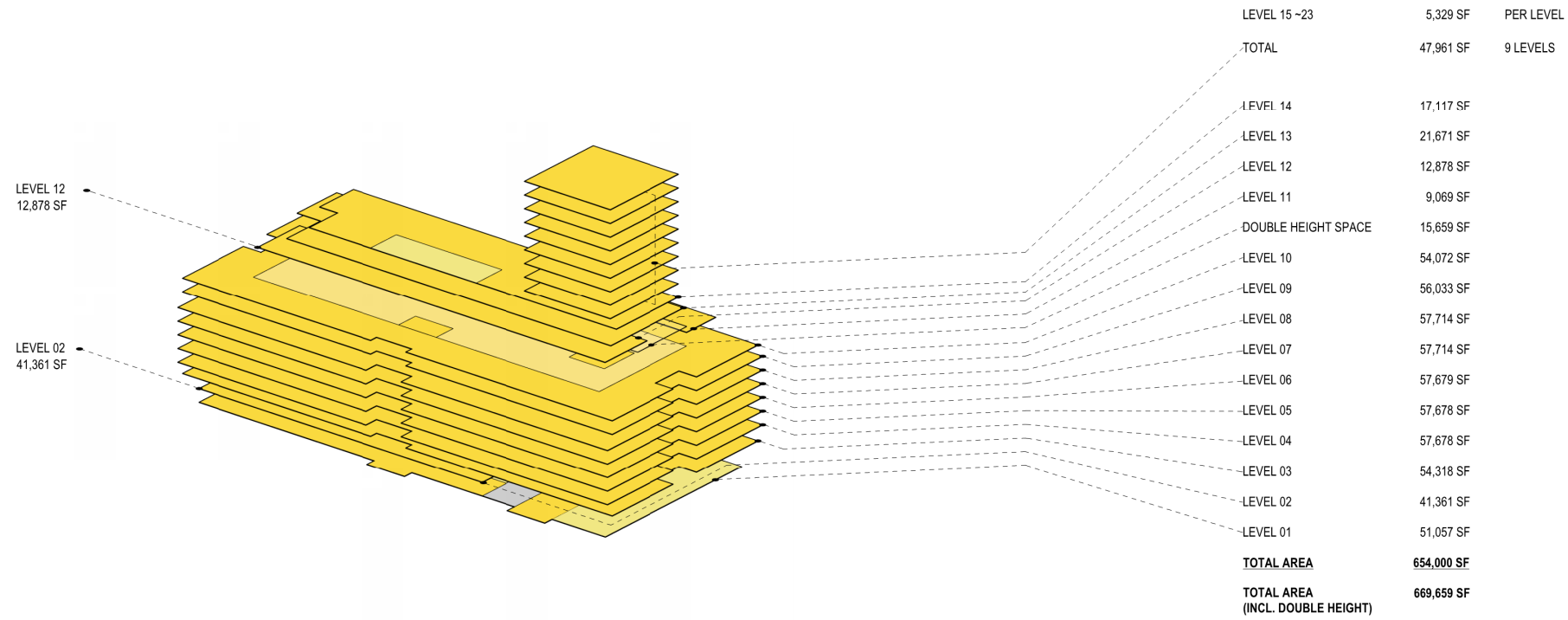


| BLOCK 9 | RESIDENTIAL | | | TOTAL RESIDENTIAL AREA | TOTAL OFFICE AREA | TOTAL RETAIL AREA | TOTAL FLOOR AREA | DOUBLE HEIGHT SPACES AREA CALCULATION | TOTAL FLOOR AREA (INCL. DOUBLE HEIGHT SPACES AREA) |
|---------------------------------|-------------------|------------------|-------------------|------------------------|-------------------|-------------------|-------------------|---------------------------------------|----------------------------------------------------|
| | UNIT AREA* | AMENITY AREA | PARKING AREA | | | | | | |
| LEVEL 15 TO 23 (TOTAL 9 FLOORS) | 47,961 SF | | | 47,961 SF | | | 47,961 SF | | 47,961 SF |
| LEVEL 14 | 14,242 SF | 2,475 SF | | 16,717 SF | | | 16,717 SF | | 16,717 SF |
| LEVEL 13 | 21,882 SF | | | 21,882 SF | | | 21,882 SF | | 21,882 SF |
| LEVEL 12 | 12,613 SF | | | 12,613 SF | | | 12,613 SF | | 12,613 SF |
| LEVEL 11 | 10,660 SF | | | 10,660 SF | | | 10,660 SF | | 10,660 SF |
| LEVEL 10 | 31,436 SF | 29,320 SF | | 60,756 SF | | | 60,756 SF | 17,733 SF | 78,489 SF |
| LEVEL 09 | 33,323 SF | 7,047 SF | 22,339 SF | 62,709 SF | | | 62,709 SF | | 62,709 SF |
| LEVEL 08 | 35,211 SF | 7,047 SF | 22,339 SF | 64,597 SF | | | 64,597 SF | | 64,597 SF |
| LEVEL 07 | 35,211 SF | 6,507 SF | 22,861 SF | 64,579 SF | | | 64,579 SF | | 64,579 SF |
| LEVEL 06 | 35,211 SF | 3,825 SF | 25,525 SF | 64,561 SF | | | 64,561 SF | | 64,561 SF |
| LEVEL 05 | 35,211 SF | 3,825 SF | 25,526 SF | 64,562 SF | | | 64,562 SF | | 64,562 SF |
| LEVEL 04 | 35,211 SF | 3,825 SF | 25,525 SF | 64,561 SF | | | 64,561 SF | | 64,561 SF |
| LEVEL 03 | 31,436 SF | 2,889 SF | 26,461 SF | 60,786 SF | | | 60,786 SF | | 60,786 SF |
| LEVEL 02 | 12,842 SF | 1,602 SF | 21,612 SF | 36,056 SF | | | 36,056 SF | | 36,056 SF |
| LEVEL 01 | 17,074 SF | 22,261 SF | 17,665 SF | 57,000 SF | | | 57,000 SF | | 57,000 SF |
| TOTAL BLOCK AREA | 409,524 SF | 90,623 SF | 209,853 SF | 710,000 SF | | | 710,000 SF | 17,733 SF | 727,733 SF |

AREA CALCULATION WITH DOUBLE COUNTING EXTRA SPACES

NOTE*: UNIT AREA INCLUDES UNITS, CORES, CORRIDORS & LOBBIES.

BLOCK 10

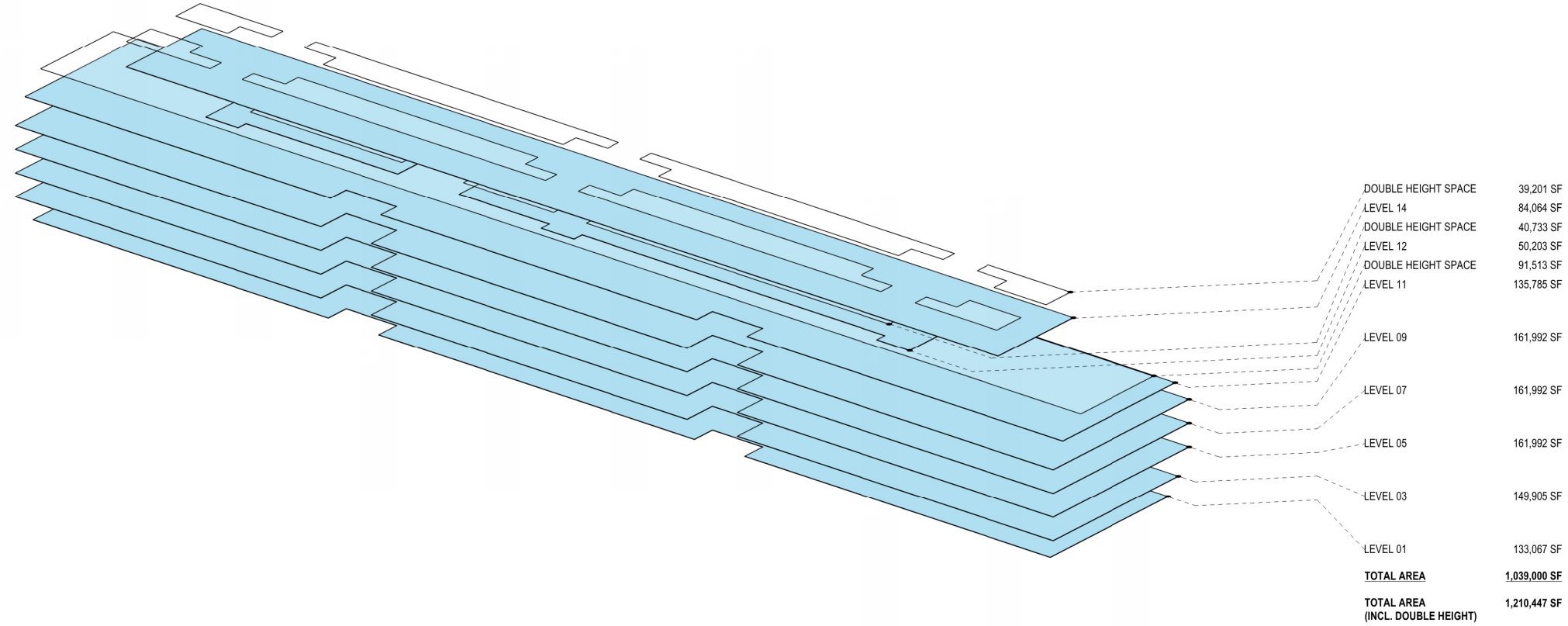


AREA CALCULATION WITH DOUBLE COUNTING EXTRA SPACES

| BLOCK 10 | RESIDENTIAL | | | TOTAL RESIDENTIAL AREA | TOTAL OFFICE AREA | TOTAL RETAIL AREA | TOTAL FLOOR AREA | DOUBLE HEIGHT SPACES AREA CALCULATION | TOTAL FLOOR AREA (INCL. DOUBLE HEIGHT SPACES AREA) |
|---------------------------------|-------------------|------------------|-------------------|------------------------|-------------------|-------------------|-------------------|---------------------------------------|----------------------------------------------------|
| | UNIT AREA* | AMENITY AREA | PARKING AREA | | | | | | |
| LEVEL 15 TO 23 (TOTAL 9 FLOORS) | 47,961 SF | | | 47,961 SF | | | 47,961 SF | | 47,961 SF |
| LEVEL 14 | 14,653 SF | 2,464 SF | | 17,117 SF | | | 17,117 SF | | 17,117 SF |
| LEVEL 13 | 21,671 SF | | | 21,671 SF | | | 21,671 SF | | 21,671 SF |
| LEVEL 12 | 12,878 SF | | | 12,878 SF | | | 12,878 SF | | 12,878 SF |
| LEVEL 11 | 9,069 SF | | | 9,069 SF | | | 9,069 SF | | 9,069 SF |
| LEVEL 10 | 28,828 SF | 25,244 SF | | 54,072 SF | | | 54,072 SF | 15,659 SF | 69,731 SF |
| LEVEL 09 | 30,507 SF | 6,819 SF | 18,707 SF | 56,033 SF | | | 56,033 SF | | 56,033 SF |
| LEVEL 08 | 32,188 SF | 6,819 SF | 18,707 SF | 57,714 SF | | | 57,714 SF | | 57,714 SF |
| LEVEL 07 | 32,188 SF | 6,819 SF | 18,707 SF | 57,714 SF | | | 57,714 SF | | 57,714 SF |
| LEVEL 06 | 32,188 SF | 5,179 SF | 20,312 SF | 57,679 SF | | | 57,679 SF | | 57,679 SF |
| LEVEL 05 | 32,188 SF | 4,140 SF | 21,350 SF | 57,678 SF | | | 57,678 SF | | 57,678 SF |
| LEVEL 04 | 32,188 SF | 4,140 SF | 21,350 SF | 57,678 SF | | | 57,678 SF | | 57,678 SF |
| LEVEL 03 | 28,828 SF | 4,140 SF | 21,350 SF | 54,318 SF | | | 54,318 SF | | 54,318 SF |
| LEVEL 02 | 18,039 SF | 3,289 SF | 20,033 SF | 41,361 SF | | | 41,361 SF | | 41,361 SF |
| LEVEL 01 | 20,534 SF | 11,138 SF | 19,385 SF | 51,057 SF | | | 51,057 SF | | 51,057 SF |
| TOTAL BLOCK AREA | 393,908 SF | 80,191 SF | 179,901 SF | 654,000 SF | | | 654,000 SF | 15,659 SF | 669,659 SF |

NOTE* : UNIT AREA INCLUDES UNITS, CORES, CORRIDORS & LOBBIES.

BLOCK 11



AREA CALCULATION WITH DOUBLE COUNTING EXTRA SPACES

| BLOCK 11 | RESIDENTIAL | | | TOTAL RESIDENTIAL AREA | TOTAL OFFICE AREA | TOTAL RETAIL AREA | TOTAL FLOOR AREA | DOUBLE HEIGHT SPACES AREA CALCULATION | TOTAL FLOOR AREA (INCL. DOUBLE HEIGHT SPACES AREA) |
|---------------------------------|-------------|--------------|--------------|------------------------|-------------------|-------------------|------------------|---------------------------------------|----------------------------------------------------|
| | UNIT AREA* | AMENITY AREA | PARKING AREA | | | | | | |
| LEVEL 15 TO 23 (TOTAL 9 FLOORS) | | | | | | | | | |
| LEVEL 14 (EIGHTH FLOOR) | | | | | 84,064 SF | | 84,064 SF | 39,201 SF | 123,265 SF |
| LEVEL 13 | | | | | | | | | |
| LEVEL 12 (SEVENTH FLOOR) | | | | | 50,203 SF | | 50,203 SF | 40,733 SF | 90,936 SF |
| LEVEL 11 (SIXTH FLOOR) | | | | | 135,785 SF | | 135,785 SF | 91,513 SF | 227,298 SF |
| LEVEL 10 | | | | | | | | | |
| LEVEL 09 (FIFTH FLOOR) | | | | | 161,992 SF | | 161,992 SF | | 161,992 SF |
| LEVEL 08 | | | | | | | | | |
| LEVEL 07 (FOURTH FLOOR) | | | | | 161,992 SF | | 161,992 SF | | 161,992 SF |
| LEVEL 06 | | | | | | | | | |
| LEVEL 05 (THIRD FLOOR) | | | | | 161,992 SF | | 161,992 SF | | 161,992 SF |
| LEVEL 04 | | | | | | | | | |
| LEVEL 03 (SECOND FLOOR) | | | | | 149,905 SF | | 149,905 SF | | 149,905 SF |
| LEVEL 02 | | | | | | | | | |
| LEVEL 01 (FIRST FLOOR) | | | | | 133,067 SF | | 133,067 SF | | 133,067 SF |
| TOTAL BLOCK AREA | | | | | 1,039,000 SF | | 1,039,000 SF | 171,447 SF | 1,210,447 SF |

NOTE* : UNIT AREA INCLUDES UNITS, CORES, CORRIDORS & LOBBIES.

**Exhibit B: Analysis of Cost Reductions
Associated with Reduced Retail**

**Exhibit B: Analysis of Cost Reductions
Associated with Reduced Retail**



To: Valco Property Owner, LLC
Attn: Reed Moulds, Managing Director
From: The Concord Group
Date: June 1st, 2018
Re: Analysis of Cost Reductions Associated with Reduced Retail in Valco Town Center Project

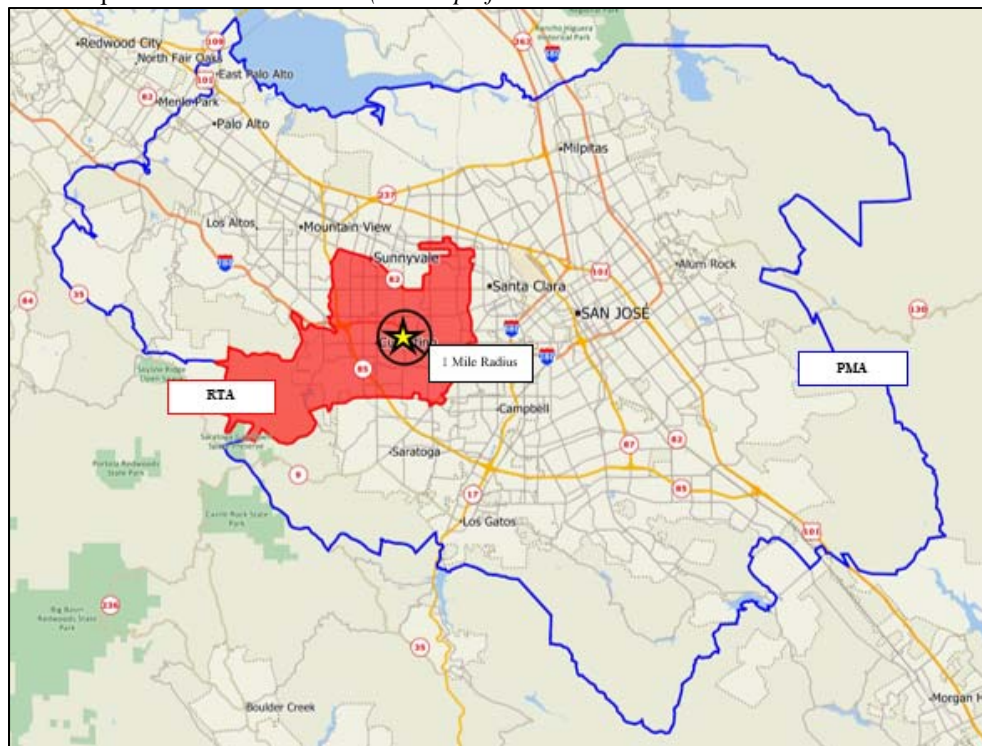
Valco Property Owner, LLC (“VPO”) is pursuing the redevelopment of the Valco Shopping Center in Cupertino, California (the “Site”) and on March 27th of this year submitted a mixed-use project known as “Valco Town Center”. As part of that application, VPO has requested a “concession” under the State Density Bonus Law to allow the project to include 400,000 square feet of retail, rather than the normally required amount of 600,000 square feet. In order to qualify under the law, a concession must result in identifiable and actual cost reductions. The purposes of this report is to document the cost reductions that will be achieved by building 400,000 square feet of retail instead of 600,000 square feet. Our analysis was focused on:

1. Identifying the ideal, market-driven scale of retail development on the site, and;
2. Comparing key metrics regarding costs, feasibility and market risks/opportunities of the 400,000 square feet of retail included in the Valco Town Center plan versus the 600,000 square feet of retail specified in the General Plan for the Site.

The following memorandum and technical appendix exhibits attached outline The Concord Group’s (“TCG”) findings and conclusions:

Market Feasibility Analysis, Depth of Demand and the Changing Nature of Retail

- *Market Areas:* For all retail product, the Retail Trade Area (“RTA”), represents the geographic source of competitive supply. For the subject property, the RTA is defined as zip codes effectively covering the City of Cupertino, parts of Sunnyvale and parts of Santa Clara. While market activity in the Primary Market Area (“PMA”), especially at key retail centers such as Westfield’s Valley Fair and Stanford Shopping Center, will influence retail demand at the Site, future potential retail tenants at the Site can expect to compete directly with other retail product within the RTA. (See map of the RTA and PMA below and in Exhibits 1 and 2)



- **Retail Market Performance:** The RTA is currently home to 223,280 people, 12MM square feet of retail space, and more than \$4 Billion of annual retail sales.
 - With ongoing strong job growth in the region, the RTA is expected to add more than 2,000 people each year through 2023
 - As a high-affluence area proximate to the cities of San Francisco and San Jose and their dynamic retail offerings, the RTA currently sees leakage of retail expenditures. Although \$6B of retail spending is done by households within the RTA, only \$4B is spent in the area. The largest leakage comes from large-format big-box or ecommerce sales categories that have been concentrated and pushed out of the RTA given the reorganization of consumer behaviors and preferences over the past several decades.
 - The RTA has seen *net* absorption of only 76,000 square feet over the past year and *negative net* absorption for seven out of the past ten years, again a symptom of retail reorganization, consolidation and ecommerce impacting the landscape.
 - At current, vacancies in the RTA sit at 12.5%, significantly higher than the 4.3% across the PMA as a whole.
 - Retail rents have grown slowly over the past decade, hitting increases of 2.1% per year.
 - See Exhibits 2 & 3 for more detail.
- **Changing Nature of Retail:** Ecommerce has created seismic shift in the retail industry. According to the Census Bureau and the US Department of Commerce, the share of all retail spending conducted online has grown from 4.1% in 2010 to 10.0% this year with further growth to 17.1% projected through 2023. In real terms, this represents a cumulative *drop* of retail space demanded by the marketplace as sales (and resulting inventories, fulfillment, etc.) move increasingly online.
 - ***Despite a growing population, the impact of this further ecommerce growth will mean a negative demand of 390,000 square feet of retail through 2023. See Exhibit 4 for more detail.***
 - Ecommerce, consolidation and eroding demand for traditional malls, shopping centers and key tenants have impacted a wide variety of retail spending categories. The result is a small list of *protected* retail spending classes/categories that offer experiential, immediate or entertainment opportunities suitable for inclusion in a 21st century retail project, most notably Food and Beverage, Health/Personal Care/Wellness/Fitness. Interestingly, these – and related – categories make up 72% of all retail spending in the region. ***These categories constitute the Site’s true target retail tenant types and shall be referred to in this report as “Key Categories”; project sizing decisions should ultimately be made based on the extent of demand from the Key Categories.***
- **Developer Reactions, Mixed Use Communities and Real World Examples:** As the built environment adjusts to the new retail reality, developers are reacting to stay ahead of the trends and build for the new world. There are clear examples in the SF Bay Area alone.
 - Not far from the Site, a large developer is pursuing the development of a large mixed use master planned community. Originally contemplating 1.1MM square feet of retail anchored by high-end department stores amongst significant office, hotel and residential space, the developer is currently reworking the retail plan to focus on Food and Beverage/Entertainment Uses and reducing the overall retail footprint by as much as 20%.
 - Macerich has recently exited the JV Agreement on Candlestick Point redevelopment. Originally planned for 635,000 square feet of large format retail, in a JV between Fivepoint and Macerich, the mall development will no longer move forward due to concerns about the macro-economic retail environment.
 - See Exhibit 5 for more detail.
- **Retail Demand Forecast:** TCG has conducted a demand/opportunity analysis for new retail in the RTA over the next 5 years, a reasonable time frame for the buildout of 100% of the retail component of the Vallco Town Center project. Demand is made up of two component parts:
 - “Clawback” of retail spending categories currently leaking to other jurisdictions given lack of contemporary product, key tenants, or 24-hour environments.
 - This analysis yields a cumulative demand for 309,000 square feet over the next five years, of which 203,000 square feet is in the Key Categories.
 - See Exhibit 8, Page 1
 - Demand resulting from new household and population growth. New people bring new spending and demand for new retail space.

- This analysis yields a cumulative demand for 320,000 square feet of retail through 2022 and 208,000 square feet in the Key Categories.
 - See Exhibit 8, Page 2
 - **All told, TCG forecasts the total demand throughout the entire RTA for the next 5 years to be 629,000 square feet of all retail types and 411,000 square feet in Key Categories.**
- **Retail Demand Capture:** Given the narrowing of likely tenant types and the surge in online spending, on the tenant side competition is and will continue to be fierce for sales in the Key Categories. Furthermore, on the landlord side, the Site will be competing with other retail developments in the RTA for this total retail and Key Category forecasted demand. Given all of this – and the real pipeline that will compete for customers across the region using similar concepts and anchors – **it is unreasonable to assume the subject property could capture 95-100% of the 629,000 square feet net new demand in the RTA for each of the next 5 years.**
- **Recommended Retail Footprint:** **TCG believes it is appropriate to assume the Site will capture between 60% and 65% of the total retail demand in the RTA over the next 5 years. Given the above factors, TCG believes the Site can absorb ±400,000 square feet of retail (approximately 63% total forecasted retail demand) during its development period and recommends no more than 400,000 square feet as the project’s retail footprint.**

Cost Reduction, 400,000 sq. ft. vs. 600,000 sq. ft.

- In simple terms, building less retail space in the project would significantly reduce the project’s overall costs. Construction costs for retail components within dense mixed-use residential/office over retail projects with parking currently reach upwards of \$800 per square foot *excluding land* (as recently attested to by the City of Cupertino’s economic consultant, Economic & Planning Systems, Inc.).
 - **Using a conservative \$770 per gross square foot cost, a reduction of 200,000 square feet of retail would generate a primary cost reduction of \$154,000,000.**
- However, because a 600,000 square foot retail project would exceed the projected retail demand for the Site, adjustments must be made to economic assumptions for the difficult-to-lease 200,000 retail square feet surplus. VPO would in this case have two options:
 - (1) Allow the surplus 200,000 square feet of retail to remain vacant beyond the initial 5-year development period, either until a tenant is procured or, potentially, permanently. Both scenarios would result in extraordinarily high carry costs and/or operating losses for the Project;
 - (2) Incentivize lease-up of the surplus 200,000 retail square feet (in order to avoid the significant down-time described above) by agreeing to:
 - Fund above-market cash contributions toward a tenant’s improvement of the space
 - Deliver retail spaces in “turn-key” condition, relieving the tenant from having to pay for such improvements, which are typically tenant costs
 - Pay extraordinarily large leasing commissions to brokers who procure retail tenants
 - Discount the project’s rental rates beneath typical market rates in order to attract tenants

Both options (1) and (2) to contend with the surplus 200,000 square feet of retail would result in (i) extraordinarily high “carry” costs and operating losses and (ii) extraordinarily high lease transaction and construction costs.

Assuming the typical soft cost per square foot of the retail component in a typical mixed-use project is approximately \$150, TCG estimates the soft costs for the incremental 200,000 square feet of surplus retail would be at least double the typical cost, or \$300 per square foot, and that such incremental costs would be 100% unrecoverable, which is to say they will not be recovered nor will they generate any return on investment, a pure loss. As such, the 400,000 square feet retail project will result in an incremental cost reduction of approximately \$60,000,000 in soft costs.

Without the incremental \$60,000,000 reduction in soft costs directly resulting from the reduction in retail area from 600,000 to 400,000 square feet, the Vallico Town Center project would be infeasible.

* * * *

This assignment was completed by Chase Eskel and Taylor Henry under the direction of Tim Cornwell. We have enjoyed working with you on this assignment and look forward to our continued involvement with your team. If you have any questions, please do not hesitate to call.



LIST OF EXHIBITS

RETAIL OPPORTUNITY ANALYSIS

1. Retail Regional Location
2. Retail Submarket Performance
3. Retail Macroeconomic Trends
4. Changing Nature of Retail Space
5. Changing and Retooling of Space
6. Consumer Spending Capacity
7. Retail Opportunity Gaps
8. Retail Demand
9. Selected Competitive Retail Inventory Space

EXHIBIT I-1

REGIONAL LOCATION AND SUBMARKET DELINEATION
RETAIL TRADE AREA
JUNE 2018

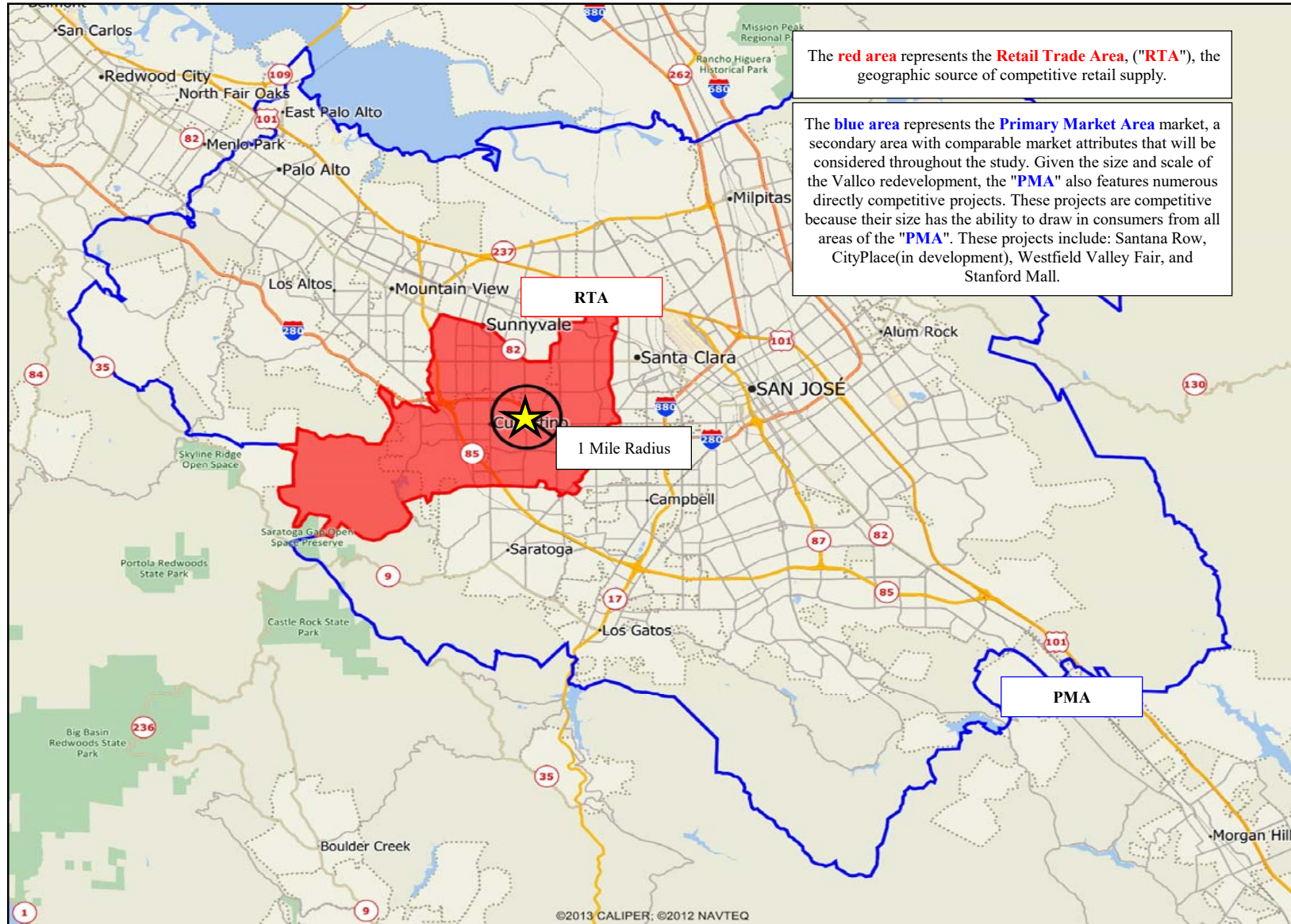


EXHIBIT I-1

REGIONAL LOCATION AND SUBMARKET DELINEATION
RETAIL TRADE AREA
JUNE 2018

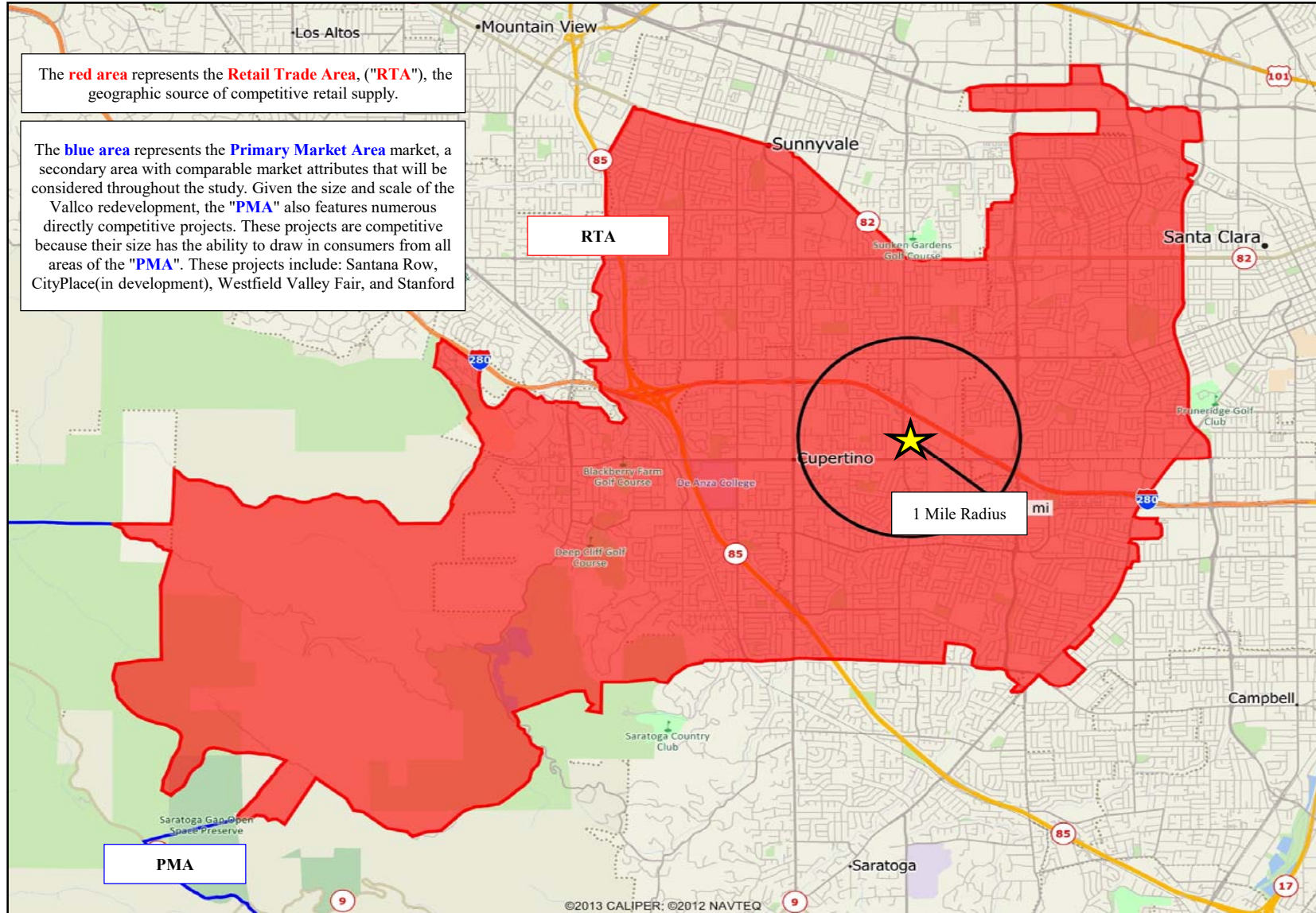


EXHIBIT I-2

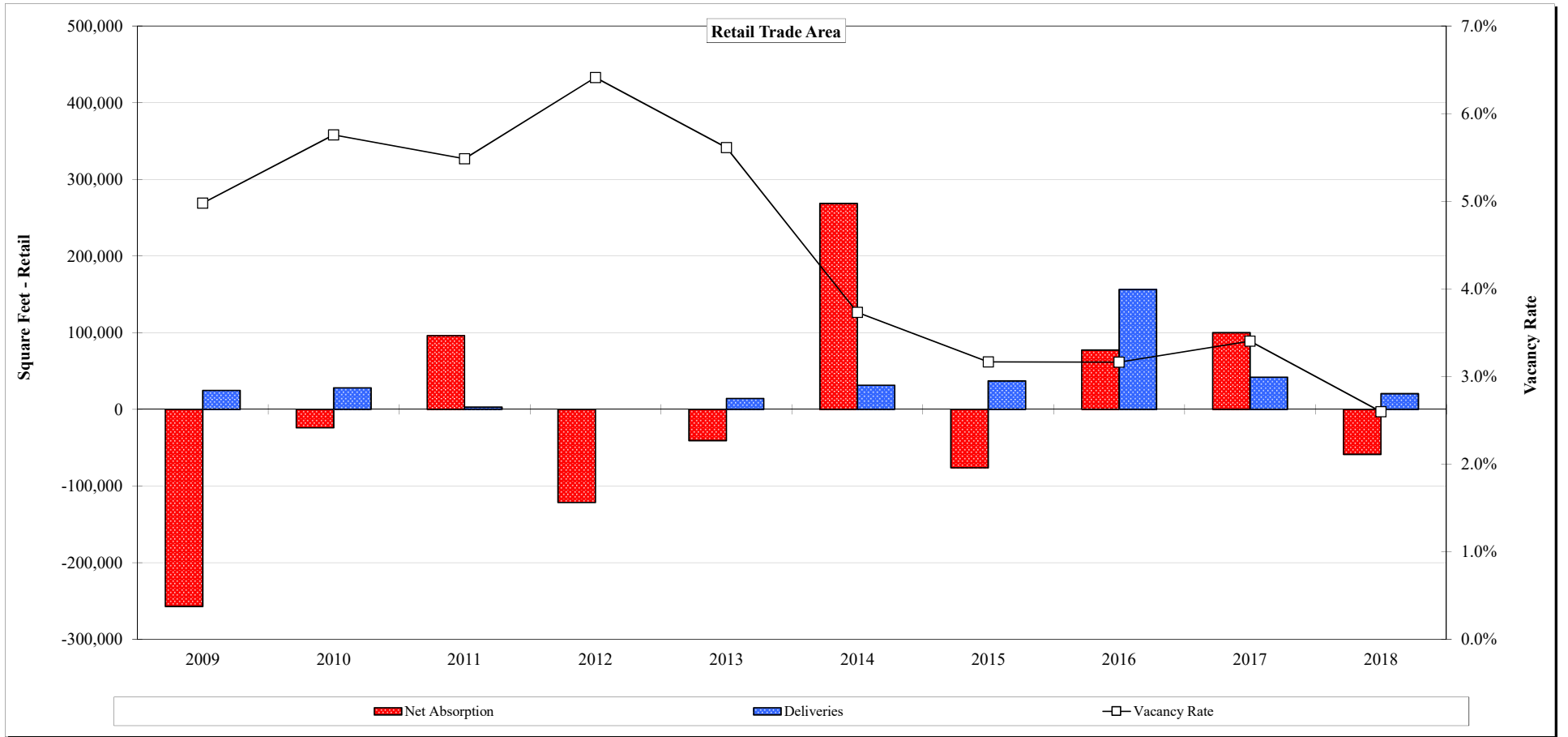
RETAIL SUBMARKET PERFORMANCE
PRIMARY MARKET AREA
JUNE 2018

| Geography | 1-Mile | Retail Trade Area | PMA |
|-----------------------------------------|-------------|-------------------|--------------|
| General Information | | | |
| Population ('18) | 24,058 | 223,280 | 1,855,647 |
| Households ('18) | 8,468 | 80,765 | 634,221 |
| % PMA | 1.3% | 12.7% | 100.0% |
| Ann. Growth (#, '18-'23) | 99 | 745 | 6,556 |
| % PMA | 1.5% | 11.4% | 100.0% |
| Over \$100K HH Growth | 150 | 1,264 | 10,189 |
| Under \$100K HH Growth | (51) | (518) | (3,633) |
| Ann. Growth (% , '18-'23) | 1.1% | 0.9% | 1.0% |
| Household Size ('18) | 2.84 | 2.76 | 2.93 |
| Consumer Spending Patterns ('18) | | | |
| Consumer Expenditures (\$000) | \$662,491 | \$6,025,190 | \$42,440,532 |
| Per Capita | \$27,537 | \$26,985 | \$22,871 |
| Retail Sales (\$000) | \$494,451 | \$4,019,980 | \$54,221,288 |
| Per Occupied Square Foot | \$508 | \$379 | \$783 |
| Spending Inflow/ (Leakage) | (\$168,041) | (\$2,005,210) | \$11,780,756 |
| Retail Market Performance (1Q18) | | | |
| Rentable Building Area (SF) | 999,716 | 10,893,935 | 72,082,254 |
| Annual Deliveries (SF) | | | |
| Last Four Quarters | 0 | 38,500 | 752,461 |
| Five-Year Average | 32,689 | 60,344 | 587,743 |
| Ten-Year Average | 19,300 | 39,001 | 496,645 |
| Annual Net Absorption (SF) | | | |
| Last Four Quarters | 29,573 | 71,123 | 924,290 |
| Five-Year Average | 32,558 | 55,876 | 398,829 |
| Ten-Year Average | 15,430 | (10,954) | 81,054 |
| Vacancy Rate (Available Vacant SF) | 2.59% | 2.60% | 3.88% |
| Vacant Stock (SF) | 25,881 | 283,154 | 2,798,262 |
| Asking Rent (NNN) | \$49.10 | \$36.18 | \$35.28 |
| Rent Growth | | | |
| Last Four Quarters | (25.5%) | 2.0% | 7.2% |
| Five-Year Average | 6.2% | 2.8% | 4.3% |
| Ten-Year Average | 1.9% | 2.1% | 1.2% |

Source: Claritas; US Census; CoStar

EXHIBIT 3
RETAIL INVENTORY PERFORMANCE
RETAIL TRADE AREA
2009 THROUGH Q8 2018

| Market Factor | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <i>Retail Trade Area</i> | | | | | | | | | | |
| Rental Building Area | 10,723,524 | 10,738,209 | 10,753,115 | 10,750,817 | 10,746,647 | 10,767,143 | 10,794,613 | 10,839,771 | 10,865,685 | 10,893,935 |
| Net Absorption | (257,050) | (24,076) | 96,161 | (121,549) | (40,808) | 268,632 | (76,150) | 77,427 | 100,092 | (58,662) |
| Deliveries | 24,693 | 28,203 | 2,855 | 0 | 14,200 | 31,532 | 37,090 | 156,398 | 42,000 | 20,500 |
| Total Vacancy Rate | 5.0% | 5.8% | 5.5% | 6.4% | 5.6% | 3.7% | 3.2% | 3.2% | 3.4% | 2.60% |
| Vacant SF | 534,131 | 618,431 | 589,963 | 689,545 | 603,137 | 401,821 | 342,023 | 343,045 | 369,901 | 283,154 |



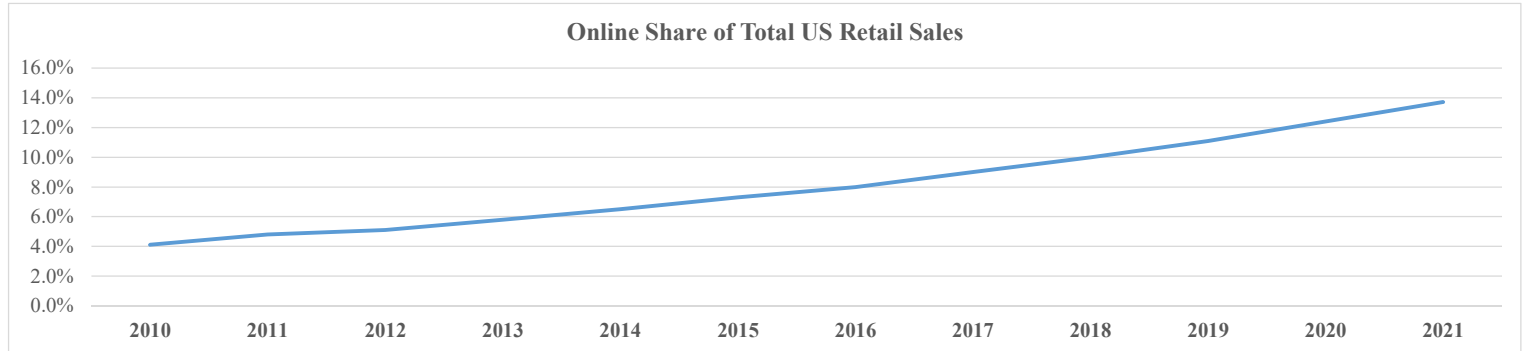
Source: CoStar

EXHIBIT 4

CHANGING NATURE OF RETAIL AND IMPACT ON LOCAL RETAIL NEED
RETAIL TRADE AREA
2010 THROUGH 2021

I. Online Share of Total Retail Spending

| Year | Share | Growth |
|---------------------------|-------|--------------|
| 2010 | 4.1% | |
| 2011 | 4.8% | 17.1% |
| 2012 | 5.1% | 6.2% |
| 2013 | 5.8% | 13.7% |
| 2014 | 6.5% | 12.1% |
| 2015 | 7.3% | 12.3% |
| 2016 | 8.0% | 9.6% |
| 2017 | 9.0% | 12.5% |
| 2018 | 10.0% | 11.1% |
| 2019 | 11.1% | 11.0% |
| 2020 | 12.4% | 11.7% |
| 2021 | 13.7% | 10.5% |
| Average YoY Growth | | 11.6% |



Source: US Census & US Dept of Commerce

II. Square Footage Impact of Annual Change

Assumptions and Inputs

| | |
|------------------------------------------------|-----------------|
| New Population per Year | 2,066 |
| Trade Area Retail Spending per Person per Year | \$17,056 |
| Total Retail Spending by Trade Area Consumers | \$3,808,209,492 |
| Total Retail Space in Trade Area | 12,172,957 |
| Retail Spending per Square Foot | \$312.84 |

Sources

| |
|----------------------------|
| Nielsen/Claritas/US Census |
| Nielsen/Claritas/US Census |
| Nielsen/Claritas/US Census |
| Costar |
| Calculated |

| | 2019 | 2020 | 2021 | 2022 | 2023 | 5 Yr |
|----------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|
| Population Added | 2,066 | 2,066 | 2,066 | 2,066 | 2,066 | 10,330 |
| x Retail Spending per Capita | \$17,056 | \$17,056 | \$17,056 | \$17,056 | \$17,056 | \$17,056 |
| = Total Retail Spending Added | \$35,237,696 | \$35,237,696 | \$35,237,696 | \$35,237,696 | \$35,237,696 | \$176,188,480 |
| Total Retail Spending (\$MM) | \$3,843 | \$3,879 | \$3,914 | \$3,949 | \$3,984 | \$19,570 |
| Online Share of Retail Spending | 11.1% | 12.4% | 13.7% | 15.3% | 17.1% | 13.9% |
| Online Spending (\$MM) | \$427 | \$481 | \$536 | \$604 | \$680 | \$2,728 |
| Incremental Online Spending | \$45,801,689 | \$54,334,288 | \$55,250,468 | \$67,696,345 | \$76,188,877 | \$299,271,666 |
| Resulting Brick & Mortar Spending | (\$10,563,993) | (\$19,096,592) | (\$20,012,772) | (\$32,458,649) | (\$40,951,181) | (\$123,083,186) |
| Resulting SqFt Impact | (33,768) | (61,042) | (63,971) | (103,754) | (130,901) | (393,436) |

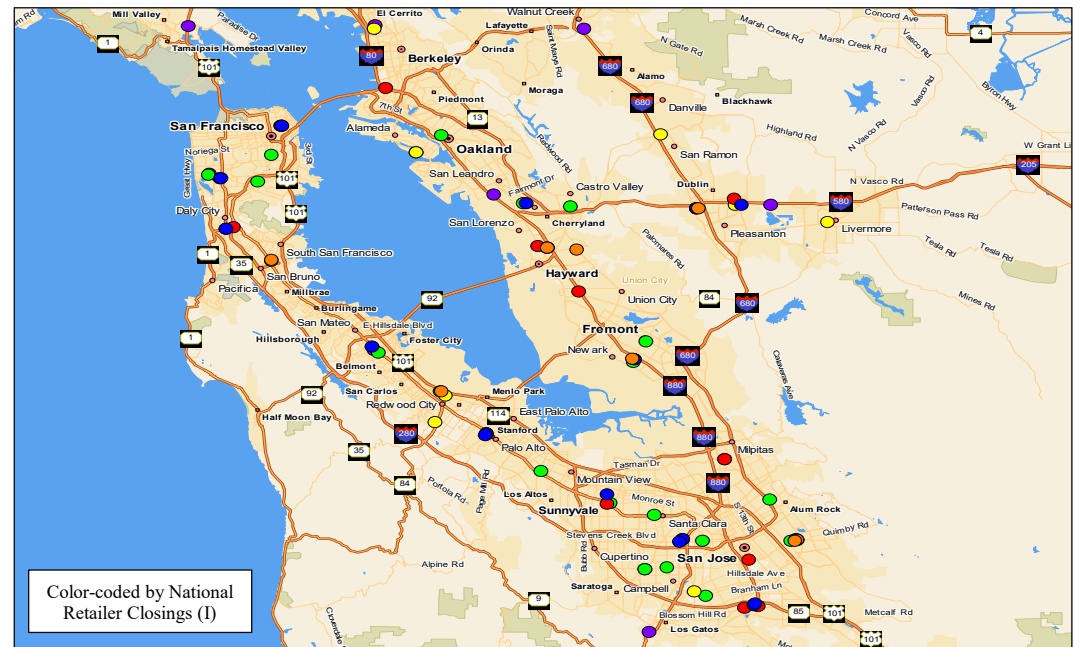
EXHIBIT 5

CLOSINGS AND RETOOLING OF RETAIL PLANS
SAN FRANCISCO BAY AREA, CALIFORNIA
JUNE 2018

I. Major Retail Anchor Closings

| Retailers | National Closings | | Total |
|-------------------------|-------------------|--------------|--------------|
| | 2017 | 2018 | |
| ▪ Radioshack | 1470 | -- | 1,470 |
| ▪ Toys'R'Us | -- | 735 | 735 |
| ▪ Payless | 700 | -- | 700 |
| ▪ Sears/Kmart | 358 | 166 | 524 |
| ▪ Gymboree | 330 | 102 | 432 |
| ▪ Macy's | 100 | 11 | 111 |
| ▪ Walgreen's Rite Aid | -- | 600 | 600 |
| ▪ Ann Taylor/Dress Barn | 70 | 500 | 570 |
| ▪ Rue21 | 400 | -- | 400 |
| ▪ Gap Inc. | 70 | 200 | 270 |
| ▪ The Limited | 250 | -- | 250 |
| ▪ Best Buy | 250 | -- | 250 |
| ▪ Mattress Firm | -- | 200 | 200 |
| ▪ J.C. Penney | 138 | -- | 138 |
| | 4,136 | 2,514 | 6,650 |

II. Map of Retailers at Risk



III. Changing Large Scale Development Plans

- Westfield Valley Fair Mall is currently undergoing a \$1.1 billion expansion project adding 685k sf to the existing 1.5M sf. The expansion is said to focus specifically on adding more F&B and on upscale distinct retailers that pull customers from a wider radius. Already underway, this project will draw in customers who otherwise wouldn't have traveled to the mall. This strategy targets consumers in our "Key Categories" which will compete directly with the Vallecito redevelopment.
- Lennar's Candlestick Point development has suspended development amid rising concerns in the retail market. Macerich and Lennar partnered on the development of a 635k sf mall in the master-planned community in San Francisco. Macerich is now leaving the mall joint venture over concerns of the retail market. Macerich has also been selling off some of their retail assets as the market has struggled, indicating macroeconomic weakness on large-scale retail formats.



EXHIBIT 6

**CONSUMER SPENDING CAPACITY
RETAIL TRADE AREA
JUNE 2018**

| | | <u>2018 Population</u> | | | | |
|---------------------------------------------------------------------------------|--------------------------|------------------------|-----------------------------------|-----------------|---------------|--|
| | | PMA | 1,855,647 | | | |
| | | Retail Trade Area | 223,280 | | | |
| | | 1-Mile Radius | 24,058 | | | |
| <u>Spending Category</u> | <u>Target Market</u> | | <u>Consumer Spending Capacity</u> | | | |
| | <u>Radius</u> | <u>Pop.</u> | <u>Total</u> | <u>Per Cap.</u> | <u>Share</u> | |
| GAFO (1) | | | | | | |
| Department Stores | Retail Trade Area | 223,280 | \$188,426,415 | \$844 | 4.9% | |
| Furniture | Retail Trade Area | 223,280 | \$134,636,183 | \$603 | 3.5% | |
| Sporting Goods/Hobby | Retail Trade Area | 223,280 | \$91,035,366 | \$408 | 2.4% | |
| Books & Music | Retail Trade Area | 223,280 | \$21,204,309 | \$95 | 0.6% | |
| Office Supplies, Gift Stores | Retail Trade Area | 223,280 | \$35,560,260 | \$159 | 0.9% | |
| Electronics/Appliances | Retail Trade Area | 223,280 | \$120,290,505 | \$539 | 3.2% | |
| Clothing & Accessories | Retail Trade Area | 223,280 | \$358,688,040 | \$1,606 | 9.4% | |
| Other General Merchandise | Retail Trade Area | 223,280 | \$527,471,281 | \$2,362 | 13.9% | |
| GAFO Total | Retail Trade Area | 223,280 | \$1,477,312,359 | \$6,616 | 38.8% | |
| Non-GAFO | | | | | | |
| Eating & Drinking Places | Retail Trade Area | 223,280 | \$833,202,953 | \$3,732 | 21.9% | |
| Misc. Stores | Retail Trade Area | 223,280 | \$92,887,134 | \$416 | 2.4% | |
| Health & Personal Care | Retail Trade Area | 223,280 | \$302,092,003 | \$1,353 | 7.9% | |
| Building/Garden Materials | Retail Trade Area | 223,280 | \$385,030,957 | \$1,724 | 10.1% | |
| Food & Beverage | Retail Trade Area | 223,280 | \$717,684,086 | \$3,214 | 18.8% | |
| Non-GAFO Total | Retail Trade Area | 223,280 | \$2,330,897,133 | \$10,439 | 61.2% | |
| Total Excluding Vehicle/Gas/Non-Store Key Categories (New Format Retail) | Retail Trade Area | 223,280 | \$3,808,209,492 | \$17,056 | 100.0% | |
| | | | | | 71.9% | |
| Motor Vehicle/Gas/Non-Store | | | | | | |
| Motor Vehicle | Retail Trade Area | 223,280 | \$1,117,864,280 | \$5,007 | | |
| Gas Stations | Retail Trade Area | 223,280 | \$387,891,494 | \$1,737 | | |
| Other Non-Store Retailers | Retail Trade Area | 223,280 | \$711,224,924 | \$3,185 | | |
| Motor Vehicle/Gas/Non-Store Total | Retail Trade Area | 223,280 | \$2,216,980,698 | \$9,929 | | |
| Total | Retail Trade Area | 223,280 | \$6,025,190,190 | \$26,985 | | |

Source: Claritas; TCG

(1) GAFO = General Merchandise, Apparel, Furniture, and Other

EXHIBIT 7

RETAIL OPPORTUNITY GAPS
RETAIL TRADE AREA
JUNE 2018

| Spending Category | 2018 Population | | Consumer Spending | | | |
|---------------------------------------------------------------------|--------------------------|----------------|------------------------|------------------------|------------------------|--------------|
| | Target Market Radius | Pop. | Consumer Demand | Actual Sales | Retail Opportunity Gap | |
| | | | | | \$ | % |
| PMA | | 1,855,647 | | | | |
| Retail Trade Area | | 223,280 | | | | |
| 1-Mile Radius | | 24,058 | | | | |
| GAFO (1) | | | | | | |
| Department Stores | Retail Trade Area | 223,280 | \$188,426,415 | \$83,539,406 | \$104,887,009 | 55.7% |
| Furniture | Retail Trade Area | 223,280 | \$134,636,183 | \$30,807,637 | \$103,828,546 | 77.1% |
| Sporting Goods/Hobby | Retail Trade Area | 223,280 | \$91,035,366 | \$31,565,669 | \$59,469,697 | 65.3% |
| Books & Music | Retail Trade Area | 223,280 | \$21,204,309 | \$12,603,262 | \$8,601,047 | 40.6% |
| Office Supplies, Gift Stores | Retail Trade Area | 223,280 | \$35,560,260 | \$7,093,763 | \$28,466,497 | 80.1% |
| Electronics/Appliances | Retail Trade Area | 223,280 | \$120,290,505 | \$228,267,785 | (\$107,977,280) | (89.8%) |
| Clothing & Accessories | Retail Trade Area | 223,280 | \$358,688,040 | \$81,567,142 | \$277,120,898 | 77.3% |
| Other General Merchandise | Retail Trade Area | 223,280 | \$527,471,281 | \$67,063,241 | \$460,408,040 | 87.3% |
| GAFO Total | Retail Trade Area | 223,280 | \$1,477,312,359 | \$542,507,905 | \$934,804,454 | 63.3% |
| Non-GAFO | | | | | | |
| Eating & Drinking Places | Retail Trade Area | 223,280 | \$833,202,953 | \$602,732,216 | \$230,470,737 | 27.7% |
| Misc. Stores | Retail Trade Area | 223,280 | \$92,887,134 | \$19,559,348 | \$73,327,786 | 78.9% |
| Health & Personal Care | Retail Trade Area | 223,280 | \$302,092,003 | \$152,229,820 | \$149,862,183 | 49.6% |
| Building/Garden Materials | Retail Trade Area | 223,280 | \$385,030,957 | \$135,582,463 | \$249,448,494 | 64.8% |
| Food & Beverage | Retail Trade Area | 223,280 | \$717,684,086 | \$488,153,882 | \$229,530,204 | 32.0% |
| Non-GAFO Total | Retail Trade Area | 223,280 | \$2,330,897,133 | \$1,398,257,729 | \$932,639,404 | 40.0% |
| Total Excluding Vehicle/Gas/Non-Store Outflow Categories | Retail Trade Area | 223,280 | \$3,808,209,492 | \$1,940,765,634 | \$1,867,443,858 | 49.0% |
| | | | \$3,687,918,987 | \$1,712,497,849 | \$1,975,421,138 | 53.6% |
| Motor Vehicle/Gas/Non-Store | | | | | | |
| Motor Vehicle | Retail Trade Area | 223,280 | \$1,117,864,280 | \$1,574,453,637 | (\$456,589,357) | (40.8%) |
| Gas Stations | Retail Trade Area | 223,280 | \$387,891,494 | \$173,202,195 | \$214,689,299 | 55.3% |
| Other Non-Store Retailers | Retail Trade Area | 223,280 | \$711,224,924 | \$331,558,607 | \$379,666,317 | 53.4% |
| Motor Vehicle/Gas/Non-Store Total | Retail Trade Area | 223,280 | \$2,216,980,698 | \$2,079,214,439 | \$137,766,259 | 6.2% |
| Total | Retail Trade Area | 223,280 | \$6,025,190,190 | \$4,019,980,073 | \$2,005,210,117 | 33.3% |

Source: Claritas; TCG

(1) GAFO = General Merchandise, Apparel, Furniture, and Other

EXHIBIT 8

ESTIMATED RETAIL DEMAND
RETAIL TRADE AREA
2018 THROUGH 2023

I. Consumer Spending Opportunity Gap Demand Potential

| Spending Category | Consumer Spending | | | Expected Sales Per SF (2) | Current Retail Gap | Unfulfilled Retail Space @ \$550/SF | Future Potential | | |
|-------------------------------------------|------------------------|------------------------|---------------|---------------------------|------------------------|-------------------------------------|----------------------|----------------|----------------|
| | Consumer Demand | Actual Sales | Sales/ Demand | | | | Capture | New SF | |
| GAFO (1) | | | | | | | | | |
| Department Stores | \$188,426,415 | \$83,539,406 | 44.3% | | \$104,887,009 | 190,704 | 10.0% | 19,070 | |
| Furniture | \$134,636,183 | \$30,807,637 | 22.9% | | \$103,828,546 | 188,779 | 10.0% | 18,878 | |
| Sporting Goods/Hobby | \$91,035,366 | \$31,565,669 | 34.7% | | \$59,469,697 | 108,127 | 10.0% | 10,813 | |
| Books & Music | \$21,204,309 | \$12,603,262 | 59.4% | | \$8,601,047 | 15,638 | 10.0% | 1,564 | |
| Office Supplies, Gift Stores | \$35,560,260 | \$7,093,763 | 19.9% | | \$28,466,497 | 51,757 | ---Not Compatible--- | | |
| Electronics/Appliances | \$120,290,505 | \$228,267,785 | 189.8% | | (\$107,977,280) | 0 | ---Not Compatible--- | | |
| Clothing & Accessories | \$358,688,040 | \$81,567,142 | 22.7% | | \$277,120,898 | 503,856 | 10.0% | 50,386 | 50,386 |
| Other General Merchandise | \$527,471,281 | \$67,063,241 | 12.7% | | \$460,408,040 | 837,106 | 10.0% | 83,711 | 41,855 |
| GAFO Total | \$1,477,312,359 | \$542,507,905 | 36.7% | | \$934,804,454 | 1,895,967 | 9.7% | 184,421 | |
| Non-GAFO | | | | | | | | | |
| Eating & Drinking Places | \$833,202,953 | \$602,732,216 | 72.3% | | \$230,470,737 | 419,038 | 10.0% | 41,904 | 41,904 |
| Misc. Stores | \$92,887,134 | \$19,559,348 | 21.1% | | \$73,327,786 | 133,323 | 10.0% | 13,332 | |
| Health & Personal Care | \$302,092,003 | \$152,229,820 | 50.4% | | \$149,862,183 | 272,477 | 10.0% | 27,248 | 27,248 |
| Building/Garden Materials | \$385,030,957 | \$135,582,463 | 35.2% | | \$249,448,494 | 453,543 | ---Not Compatible--- | | |
| Food & Beverage | \$717,684,086 | \$488,153,882 | 68.0% | | \$229,530,204 | 417,328 | 10.0% | 41,733 | 41,733 |
| Non-GAFO Total | \$2,330,897,133 | \$1,398,257,729 | 60.0% | | \$932,639,404 | 1,695,708 | 7.3% | 124,217 | |
| Motor Vehicle/Gas/Non-Store | | | | | | | | | |
| Motor Vehicle | \$1,117,864,280 | \$1,574,453,637 | 140.8% | | (\$456,589,357) | 0 | ---Not Compatible--- | | |
| Gas Stations | \$387,891,494 | \$173,202,195 | 44.7% | | \$214,689,299 | 390,344 | ---Not Compatible--- | | |
| Other Non-Store Retailers | \$711,224,924 | \$331,558,607 | 46.6% | | \$379,666,317 | 690,302 | ---Not Compatible--- | | |
| Motor Vehicle/Gas/Non-Store Total | \$2,216,980,698 | \$2,079,214,439 | 93.8% | | \$137,766,259 | 1,080,647 | 0.0% | 0 | |
| Total (All Spending Categories) | | | | | | | | | |
| | \$6,025,190,190 | \$4,019,980,073 | 66.7% | \$550 | \$2,005,210,117 | 4,672,321 | 6.6% | 308,637 | |
| Excluding Vehicle/Gas/Non-Store | \$3,808,209,492 | \$1,940,765,634 | 51.0% | | \$1,867,443,858 | 3,591,675 | 8.6% | 308,637 | |
| Key Categories (New Format Retail) | | | | | | | | | 203,125 |

66%

Note: In addition to the demand derived from spending gaps within the Retail Trade Area, an additional portion of demand will come from new population growth, as shown on the next page.

New Format Retail

As traditional retail faces accelerating headwinds and the rise of online shopping continues, brick and mortar retail spaces increasingly turns towards experiential excursions focused on food and entertainment. These spending categories represent approximately 2/3 of the potential spending clawback in the Trade Area.

Source: Claritas; TCG

(1) GAFO = General Merchandise, Apparel, Furniture, and Other

(2) High-end retail realizes a higher Sales per Foot. Thus \$550 being a more appropriate figure than the traditional \$300-\$350 per foot.

EXHIBIT 8

ESTIMATED RETAIL DEMAND
RETAIL TRADE AREA
2018 THROUGH 2023

II. Consumer Spending Opportunity Gap Demand Potential

| Market Factor | Per Capita Spending | | New Resident Generated Spending | | | | | 5-Yr Total |
|-------------------------------------------|---------------------|---------------|---------------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| | \$ | % | 2018/2019 | 2019/2020 | 2020/2021 | 2021/2022 | 2022/2023 | |
| New Population Growth | | | 2,066 | 2,066 | 2,066 | 2,066 | 2,066 | 10,329 |
| Spending Categories | | | | | | | | |
| Department Stores | \$844 | 3.1% | \$1,743,333 | \$1,743,333 | \$1,743,333 | \$1,743,333 | \$1,743,333 | \$8,716,663 |
| Furniture | \$603 | 2.2% | \$1,245,662 | \$1,245,662 | \$1,245,662 | \$1,245,662 | \$1,245,662 | \$6,228,310 |
| Sporting Goods/Hobby | \$408 | 1.5% | \$842,265 | \$842,265 | \$842,265 | \$842,265 | \$842,265 | \$4,211,323 |
| Books & Music | \$95 | 0.4% | \$196,184 | \$196,184 | \$196,184 | \$196,184 | \$196,184 | \$980,918 |
| Office Supplies, Gift Stores | \$159 | 0.6% | \$329,006 | \$329,006 | \$329,006 | \$329,006 | \$329,006 | \$1,645,028 |
| Electronics/Appliances | \$539 | 2.0% | \$1,112,935 | \$1,112,935 | \$1,112,935 | \$1,112,935 | \$1,112,935 | \$5,564,675 |
| Clothing & Accessories | \$1,606 | 6.0% | \$3,318,603 | \$3,318,603 | \$3,318,603 | \$3,318,603 | \$3,318,603 | \$16,593,017 |
| Other General Merchandise | \$2,362 | 8.8% | \$4,880,196 | \$4,880,196 | \$4,880,196 | \$4,880,196 | \$4,880,196 | \$24,400,980 |
| Eating & Drinking Places | \$3,732 | 13.8% | \$7,708,844 | \$7,708,844 | \$7,708,844 | \$7,708,844 | \$7,708,844 | \$38,544,219 |
| Misc. Stores | \$416 | 1.5% | \$859,397 | \$859,397 | \$859,397 | \$859,397 | \$859,397 | \$4,296,987 |
| Health & Personal Care | \$1,353 | 5.0% | \$2,794,973 | \$2,794,973 | \$2,794,973 | \$2,794,973 | \$2,794,973 | \$13,974,867 |
| Building/Garden Materials | \$1,724 | 6.4% | \$3,562,330 | \$3,562,330 | \$3,562,330 | \$3,562,330 | \$3,562,330 | \$17,811,648 |
| Food & Beverage | \$3,214 | 11.9% | \$6,640,056 | \$6,640,056 | \$6,640,056 | \$6,640,056 | \$6,640,056 | \$33,200,282 |
| Motor Vehicle | \$5,007 | 18.6% | \$10,342,548 | \$10,342,548 | \$10,342,548 | \$10,342,548 | \$10,342,548 | \$51,712,738 |
| Gas Stations | \$1,737 | 6.4% | \$3,588,795 | \$3,588,795 | \$3,588,795 | \$3,588,795 | \$3,588,795 | \$17,943,977 |
| Other Non-Store Retailers | \$3,185 | 11.8% | \$6,580,296 | \$6,580,296 | \$6,580,296 | \$6,580,296 | \$6,580,296 | \$32,901,479 |
| Total (All Spending Categories) | \$26,985 | 100.0% | \$55,745,422 | \$55,745,422 | \$55,745,422 | \$55,745,422 | \$55,745,422 | \$278,727,112 |
| Excluding Vehicle/Gas/Non-Store | \$17,056 | 63.2% | \$35,233,783 | \$35,233,783 | \$35,233,783 | \$35,233,783 | \$35,233,783 | \$176,168,917 |
| Key Categories (New Format Retail) | | | \$22,902,575 | \$22,902,575 | \$22,902,575 | \$22,902,575 | \$22,902,575 | \$114,512,875 |

Retail Sales per Square Foot \$550 \$550 \$550 \$550 \$550 \$550

| | | | | | | |
|-------------------------------------------|---------------|---------------|---------------|---------------|---------------|----------------|
| Total Demand for Retail Space (SF) | 64,061 | 64,061 | 64,061 | 64,061 | 64,061 | 320,307 |
| Key Categories (New Format Retail) | 41,641 | 41,641 | 41,641 | 41,641 | 41,641 | 208,205 |

III. Total Demand

| | | |
|-------------------------------------------------|----------------|------------------------------------------------------------------|
| Total 5-Year Demand from Opportunity Gaps: | 308,637 | Annualized assuming 5-year absorption flow of current leakage |
| Total 5-Year Demand from New Population Growth: | 320,307 | |
| Total 5-Year Demand: | 628,945 | 125,789 |

IV. Total Demand (Key Categories)

| | | |
|-------------------------------------------------|----------------|------------------------------------------------------------------|
| Total 5-Year Demand from Opportunity Gaps: | 203,125 | Annualized assuming 5-year absorption flow of current leakage |
| Total 5-Year Demand from New Population Growth: | 208,205 | |
| Total 5-Year Demand: | 411,330 | 82,266 |

EXHIBIT 9
SELECTED COMPETITIVE RETAIL INVENTORY SPACE
RETAIL TRADE AREA
JUNE 2018

| Available | | | | | | | | | | | | | |
|-----------------------------------------------------|--------------------------------|-------------|-------|-------|-------|--------------------------------------|--------------|---------------|----------------|----------------|--------------|-----------------|------------|
| Building Name | Address | City | Year | | | Type | Subtype | Typical Floor | RBA | | | Ann. Lease Rate | |
| | | | Built | Reno. | Elev. | | | | Total | Avail. | Occ. | Avg. | Type |
| Retail Trade Area | | | | | | | | | | | | | |
| 696 W El Camino Real | 696 W El Camino Real | Sunnyvale | 2018 | -- | 1s | General Retail | Freestanding | 9,836 | 9,836 | 9,836 | 0.0% | \$72.00 | NNN |
| Bldg B (108-116 E El Camino Real) | 108-116 E El Camino Real | Sunnyvale | 2010 | -- | 1s | General Retail (Community Center) | Freestanding | 8,339 | 8,339 | 1,000 | 88.0% | 69.00 | NNN |
| Homestead Center (20916 Homestead Rd) | 20916 Homestead Rd | Cupertino | 1984 | -- | 1s | General Retail (Neighborhood Center) | Freestanding | 7,200 | 7,200 | 1,200 | 83.3% | 66.00 | NNN |
| 10129-10191 S De Anza Blvd | 10129-10191 S De Anza Blvd | Cupertino | 1952 | -- | 1s | General Retail | Freestanding | 20,527 | 20,527 | 975 | 95.3% | 54.00 | NNN |
| Saratoga Plaza (375 Saratoga Ave) | 375 Saratoga Ave | San Jose | 1970 | -- | 1s | General Retail (Neighborhood Center) | Restaurant | 38,000 | 38,000 | 1,080 | 97.2% | 54.00 | NNN |
| Loree Center (19050-19088 Stevens Creek Blvd) | 19050-19088 Stevens Creek Blvd | Cupertino | 1951 | -- | 1s | General Retail (Strip Center) | | 20,000 | 20,000 | 6,400 | 68.0% | 54.00 | NNN |
| Biltmore (20030-20080 Stevens Creek Blvd) | 20030-20080 Stevens Creek Blvd | Cupertino | 2015 | -- | 1s | General Retail | | 7,045 | 7,045 | 1,271 | 82.0% | 54.00 | NNN |
| 751-799 E El Camino Real | 751-799 E El Camino Real | Sunnyvale | 1993 | -- | 2s | General Retail (Community Center) | Freestanding | 172,613 | 172,613 | 7,066 | 95.9% | 51.00 | NNN |
| 798-820 E El Camino Real | 798-820 E El Camino Real | Sunnyvale | 2008 | -- | 1s | General Retail (Strip Center) | | 5,720 | 5,720 | 1,800 | 68.5% | 51.00 | NNN |
| V Center (1191-1195 S De Anza Blvd) | 1191-1195 S De Anza Blvd | San Jose | 2017 | -- | 2s | General Retail | Freestanding | 13,000 | 13,000 | 3,824 | 70.6% | 48.00 | NNN |
| 1375 S De Anza Blvd | 1375 S De Anza Blvd | Cupertino | 1985 | 2006 | 1s | General Retail | Freestanding | 6,222 | 6,222 | 6,222 | 0.0% | 48.00 | NNN |
| 1253 W El Camino Real | 1253 W El Camino Real | Sunnyvale | 1980 | -- | 1s | General Retail (Strip Center) | Restaurant | 8,979 | 8,979 | 2,262 | 74.8% | 48.00 | NNN |
| 717 E El Camino Real | 717 E El Camino Real | Sunnyvale | 1985 | -- | 1s | General Retail (Strip Center) | | 20,000 | 20,000 | 1,910 | 90.5% | 46.20 | NNN |
| 510 E El Camino Real | 510 E El Camino Real | Sunnyvale | 1979 | -- | 1s | General Retail (Strip Center) | | 12,606 | 12,606 | 2,591 | 79.4% | 45.00 | NNN |
| 1018 W El Camino Real | 1018 W El Camino Real | Sunnyvale | 1958 | 1995 | 1s | General Retail | Freestanding | 7,250 | 7,250 | 7,250 | 0.0% | 45.00 | NNN |
| Westmoor Village (1211-1291 S Mary Ave) | 1211-1291 S Mary Ave | Sunnyvale | 1961 | -- | 1s | General Retail (Neighborhood Center) | Storefront | 60,909 | 60,909 | 2,520 | 95.9% | 42.00 | NNN |
| 455-489 Saratoga Ave | 455-489 Saratoga Ave | San Jose | 1973 | -- | 1s | General Retail (Neighborhood Center) | Storefront | 42,677 | 42,677 | 1,500 | 96.5% | 42.00 | NNN |
| 580 South Murphy (101-103 E El Camino Real) | 101-103 E El Camino Real | Sunnyvale | 1965 | -- | 1s | General Retail (Neighborhood Center) | Freestanding | 24,032 | 24,032 | 1,500 | 93.8% | 39.00 | NNN |
| Henderson Center (1053 E El Camino Real) | 1053 E El Camino Real | Sunnyvale | 1968 | -- | 1s | General Retail (Strip Center) | | 11,249 | 11,249 | 1,350 | 88.0% | 37.20 | NNN |
| 740 E El Camino Real | 740 E El Camino Real | Sunnyvale | 1975 | -- | 1s | General Retail | Restaurant | 10,947 | 10,947 | 10,947 | 0.0% | 36.00 | NNN |
| Pepper Tree Plaza (1084 S De Anza Blvd) | 1084 S De Anza Blvd | San Jose | 1900 | -- | 1s | General Retail (Strip Center) | | 11,500 | 11,500 | 3,698 | 67.8% | 35.60 | NNN |
| Park Lane Plaza (5152-5278 Moorpark Ave) | 5152-5278 Moorpark Ave | San Jose | 1968 | -- | 1s | General Retail (Neighborhood Center) | Freestanding | 70,000 | 70,000 | 4,022 | 94.3% | 34.56 | NNN |
| Bldg 4 & 5 (4360 Stevens Creek Blvd) | 4360 Stevens Creek Blvd | San Jose | 1972 | -- | 1s | General Retail (Neighborhood Center) | Freestanding | 31,981 | 31,981 | 1,360 | 95.7% | 31.30 | NNN* |
| 130 E El Camino Real | 130 E El Camino Real | Sunnyvale | 1964 | -- | 1s | General Retail (Community Center) | Freestanding | 39,500 | 39,500 | 39,500 | 0.0% | 30.00 | NNN |
| Civic Square (802-844 W El Camino Real) | 802-844 W El Camino Real | Sunnyvale | 1964 | 2009 | 1s | General Retail (Neighborhood Center) | Freestanding | 42,178 | 42,178 | 23,900 | 43.3% | 30.00 | NNN |
| Kiely Plaza (1052-1092 Kiely Blvd) | 1052-1092 Kiely Blvd | Santa Clara | 1974 | 1999 | 1s | General Retail (Strip Center) | Freestanding | 23,766 | 23,766 | 1,655 | 93.0% | 29.40 | NNN |
| Moonlite Shopping Center (2610-2790 El Camino Real) | 2610-2790 El Camino Real | Santa Clara | 1960 | 1994 | 1s | General Retail (Community Center) | Freestanding | 169,375 | 169,375 | 15,780 | 90.7% | 28.77 | NNN |
| 1587-1595 Pomeroy Ave | 1587-1595 Pomeroy Ave | Santa Clara | 1964 | -- | 1s | General Retail (Strip Center) | Freestanding | 6,000 | 6,000 | 2,416 | 59.7% | 27.00 | NNN |
| 942-948 W El Camino Real | 942-948 W El Camino Real | Sunnyvale | 1960 | 2016 | 1s | General Retail (Strip Center) | Freestanding | 7,200 | 7,200 | 7,200 | 0.0% | 24.92 | NNN* |
| 1080 Saratoga Ave | 1080 Saratoga Ave | San Jose | 1966 | -- | 1s | General Retail (Strip Center) | Freestanding | 17,380 | 17,380 | 1,178 | 93.2% | 24.48 | NNN |
| Totals: | | | | | | | | 30,868 | 926,031 | 173,213 | 82.2% | \$38.21 | NNN |

Source: CoStar

**Exhibit C: Building Block Allocation –
Updated Table**

Exhibit C

In creating the “Building Block Allocation” table found on page P-0101 of the plan set, some of the areas in Block 1, 6, and 11 were incorrectly attributed to the wrong block due to an excel formula error. This was simply a tabulation discrepancy and does not affect any of the design, nor does it impact the Development Summary. The total square footage for the project remains 4,700,000 square feet of residential uses, 400,000 square feet of retail, and 1,810,000 square feet of office. This updated table also clarifies the square footage and uses that will occur in the bridge area. The following is a corrected version of the Building Block Allocation table.

| DEVELOPMENT SUMMARY (50% AFFORDABLE HOUSING) | | | |
|-----------------------------------------------------------------------------|------------------------|-------------------|-------------------|
| | RESIDENTIAL (GROSS SF) | RETAIL (GROSS SF) | OFFICE (GROSS SF) |
| TOTAL FLOOR AREA* | 4,700,000 | 400,000 | 1,810,000 |
| % | 68.0% | 5.8% | 26.2% |
| * NOTE: PURSUANT TO CUPERTINO MUNICIPAL CODE SECTION 19.08.030 "FLOOR AREA" | | | |
| | RESIDENTIAL (GROSS SF) | RETAIL (GROSS SF) | OFFICE (GROSS SF) |
| PROJECT AREA + DOUBLE HEIGHT FLOOR AREA CALCULATION | 4,961,904 | 485,912 | 1,981,447 |
| % | 66.8% | 6.5% | 26.7% |

| AREAS EXCLUDED FROM FLOOR AREA CALCULATION | |
|-----------------------------------------------------------------------------------------------------------|-------------------------|
| PRIVATE RESIDENTIAL OPEN SPACE (INCLUDES TERRACES, BALCONIES, AND OPEN SPACE AMENITIES) | 14.9 ACRES / 652,000 SF |
| PUBLIC GREEN ROOF PARK SPACE | 22 ACRES / 959,000 SF |
| UNDERGROUND STRUCTURE - WEST (PARKING, UTILITIES, INFRASTRUCTURE) | 1,478,000 SF |
| UNDERGROUND STRUCTURE - EAST (PARKING, UTILITIES, INFRASTRUCTURE) | 1,906,000 SF |
| * NOTE: 14 ACRES ON THE WEST SIDE AND UP TO 8 ACRES ON THE EAST SIDE, DEPENDING ON OFFICE TENANT DEMANDS. | |

| BUILDING BLOCK ALLOCATION | | |
|---------------------------|-----------|-------------------------------|
| | GROSS SF | LAND USES |
| BLOCK 1 | 327,000 | RESIDENTIAL, RETAIL, PARKING |
| BLOCK 2 | 750,000 | RESIDENTIAL, RETAIL, PARKING |
| BLOCK 3 | 1,380,000 | RESIDENTIAL, RETAIL, PARKING |
| BLOCK 3A | 16,000 | CENTRAL PLANT + CENTRAL WASTE |
| BLOCK 4 | 700,000 | RESIDENTIAL, RETAIL, PARKING |
| BLOCK 5 | 538,000 | RESIDENTIAL, RETAIL, PARKING |
| BRIDGE* | 41,000 | RESIDENTIAL AMENITY |
| BLOCK 6 | 247,000 | OFFICE, PARKING |
| BLOCK 7 | 282,000 | OFFICE, PARKING |
| BLOCK 8 | 242,000 | OFFICE, PARKING |
| BLOCK 9 | 710,000 | RESIDENTIAL, PARKING |
| BLOCK 10 | 654,000 | RESIDENTIAL, PARKING |
| BLOCK 11 | 1,039,000 | OFFICE, PARKING |

**Exhibit D: LEED CS v3 Scorecard for
Office Core and Shell**

LEED CS v3 Scorecard - Office Core and Shell

Vallco Town Center

3/27/2018



Yes ?Y ?N No Certified 40-49 Silver 50-59 Gold 60-79 Platinum 80+

65 11 15 19 Total Project Score

| Y | ?Y | ?N | N | | | Y | ?Y | ?N | N | | |
|----|----|----|---|--------------------------|------------|------------------------------------------------------------------------------------|-----|----|---|--|--|
| 27 | 0 | 1 | 0 | Sustainable Sites | | 28 Points Possible | | | | | |
| Y | | | | | Prereq 1 | Construction Activity Pollution Prevention | n/a | | | | |
| 1 | | | | | Credit 1 | Site Selection | 1 | | | | |
| 5 | | | | | Credit 2 | Development Density & Community Connectivity | 5 | | | | |
| | | 1 | | | Credit 3 | Brownfield Redevelopment | 1 | | | | |
| 6 | | | | | Credit 4.1 | Alternative Transportation, Public Transportation Access | 6 | | | | |
| 2 | | | | | Credit 4.2 | Alternative Transportation, Bicycle Storage & Changing Rooms | 2 | | | | |
| 3 | | | | | Credit 4.3 | Alternative Transportation, Low Emitting & Fuel Efficient Vehicles | 3 | | | | |
| 2 | | | | | Credit 4.4 | Alternative Transportation, Parking Capacity | 2 | | | | |
| 1 | | | | | Credit 5.1 | Site Development, Protect or Restore Habitat (50% - fp or 20% of site area) | 1 | | | | |
| 1 | | | | | Credit 5.2 | Site Development, Maximize Open Space | 1 | | | | |
| 1 | | | | | Credit 6.1 | Stormwater Design, Quantity Control | 1 | | | | |
| 1 | | | | | Credit 6.2 | Stormwater Design, Quality Control | 1 | | | | |
| 1 | | | | | Credit 7.1 | Heat Island Effect, Non-Roof | 1 | | | | |
| 1 | | | | | Credit 7.2 | Heat Island Effect, Roof | 1 | | | | |
| 1 | | | | | Credit 8 | Light Pollution Reduction | 1 | | | | |
| 1 | | | | | Credit 9 | Tenant Design and Construction Guidelines | 1 | | | | |

| Y | ?Y | ?N | N | | | Y | ?Y | ?N | N | | |
|---|----|----|---|-------------------------|------------|---------------------------------------------------------------------|-----|----|---|--|--|
| 4 | 2 | 4 | 0 | Water Efficiency | | 10 Points Possible | | | | | |
| Y | | | | | Prereq 1 | Water Use Reduction, 20% Reduction | n/a | | | | |
| 2 | | | | | Credit 1.1 | Water Efficient Landscaping, Reduce by 50% | 2 | | | | |
| | | 2 | | | Credit 1.2 | Water Efficient Landscaping, No Potable Use or No Irrigation | 2 | | | | |
| | | 2 | | | Credit 2 | Innovative Wastewater Technologies | 2 | | | | |
| 2 | 2 | | | | Credit 3 | Water Use Reduction, 30%, 35%, 40% reduction | 2-4 | | | | |

| Y | ?Y | ?N | N | | | Y | ?Y | ?N | N | | |
|----|----|----|----|--------------------------------|------------|-----------------------------------------------------------------|------|----|---|--|--|
| 13 | 4 | 8 | 12 | Energy & Atmosphere | | 37 Points Possible | | | | | |
| Y | | | | | Prereq 1 | Fundamental Commissioning of the Building Energy Systems | n/a | | | | |
| Y | | | | | Prereq 2 | Minimum Energy Performance, 10% Requirement | n/a | | | | |
| Y | | | | | Prereq 3 | Fundamental Refrigerant Management | n/a | | | | |
| 3 | 4 | 2 | 12 | | Credit 1 | Optimize Energy Performance, 14 - 20% | 3-21 | | | | |
| | | 4 | | | Credit 2 | On-Site Renewable Energy, 1% | 4 | | | | |
| 2 | | | | | Credit 3 | Enhanced Commissioning | 2 | | | | |
| | | 2 | | | Credit 4 | Enhanced Refrigerant Management | 2 | | | | |
| 3 | | | | | Credit 5.1 | Measurement & Verification, Base Building | 3 | | | | |
| 3 | | | | | Credit 5.2 | Measurement & Verification, Tenant Submetering | 3 | | | | |
| 2 | | | | | Credit 6 | Green Power | 2 | | | | |

| Y | ?Y | ?N | N | | | Y | ?Y | ?N | N | | |
|---|----|----|---|----------------------------------|------------|-------------------------------------------------------------------|-----|----|---|--|--|
| 5 | 2 | 0 | 6 | Materials & Resources | | 13 Points Possible | | | | | |
| Y | | | | | Prereq 1 | Storage & Collection of Recyclables | n/a | | | | |
| | | | 5 | | Credit 1 | Building Reuse, Maintain Existing Walls, Floors & Roof | 1-5 | | | | |
| 1 | | | | | Credit 2.1 | Construction Waste Management, Divert 50% | 1 | | | | |
| 1 | | | | | Credit 2.2 | Construction Waste Management, Divert 75% | 1 | | | | |
| | | | 1 | | Credit 3 | Materials Reuse, Specify 5% | 1 | | | | |
| 1 | | | | | Credit 4.1 | Recycled Content, 10% | 1 | | | | |
| 1 | | | | | Credit 4.2 | Recycled Content, 20% | 1 | | | | |
| 1 | | | | | Credit 5.1 | Regional Materials, 10% | 1 | | | | |
| 1 | | | | | Credit 5.2 | Regional Materials, 20% | 1 | | | | |
| | | | 1 | | Credit 6 | Certified Wood | 1 | | | | |

| Y | ?Y | ?N | N | | | Y | ?Y | ?N | N | | |
|---|----|----|---|-------------------------------------|------------|------------------------------------------------------------------------|----|----|---|--|--|
| 8 | 1 | 2 | 1 | Indoor Environmental Quality | | 12 Points Possible | | | | | |
| Y | | | | | Prereq 1 | Minimum IAQ Performance | 1 | | | | |
| Y | | | | | Prereq 2 | Environmental Tobacco Smoke (ETS) Control | 1 | | | | |
| 1 | | | | | Credit 1 | Outdoor Air Delivery Monitoring | 1 | | | | |
| 1 | | | | | Credit 2 | Increased Ventilation | 1 | | | | |
| 1 | | | | | Credit 3 | Construction IAQ Management Plan, During Construction | 1 | | | | |
| 1 | | | | | Credit 4.1 | Low-Emitting Materials, Adhesives & Sealants | 1 | | | | |
| 1 | | | | | Credit 4.2 | Low-Emitting Materials, Paints & Coatings | 1 | | | | |
| 1 | | | | | Credit 4.3 | Low-Emitting Materials, Carpet Systems | 1 | | | | |
| 1 | | | | | Credit 4.4 | Low-Emitting Materials, Composite Wood & Agrifiber Products | 1 | | | | |
| | | 1 | | | Credit 5 | Indoor Chemical & Pollutant Source Control | 1 | | | | |
| | | | 1 | | Credit 6 | Controllability of Systems, Thermal Comfort | 1 | | | | |
| 1 | | | | | Credit 7 | Thermal Comfort, Design | 1 | | | | |
| | | | 1 | | Credit 8.1 | Daylight & Views, Daylight 75% of Spaces | 1 | | | | |
| | | | 1 | | Credit 8.2 | Daylight & Views, Views for 90% of Spaces | 1 | | | | |

| Y | ?Y | ?N | N | | | Y | ?Y | ?N | N | | |
|---|----|----|---|----------------------------------------|------------|-----------------------------------------------------------------|----|----|---|--|--|
| 5 | 1 | 0 | 0 | Innovation & Design Process | | 6 Points Possible | | | | | |
| 1 | | | | | Credit 1.1 | Exemplary Performance: SSc5.1 | 1 | | | | |
| 1 | | | | | Credit 1.2 | Exemplary Performance: SSc5.2 | 1 | | | | |
| | | 1 | | | Credit 1.3 | Exemplary Performance: WEC3 / MRC4 / MRC5 / MRC6 | 1 | | | | |
| 1 | | | | | Credit 1.4 | Innovation in Design: Sustainable Solid Waste Management | 1 | | | | |
| 1 | | | | | Credit 1.5 | Innovation in Design: Sustainable Landscape Management | 1 | | | | |
| 1 | | | | | Credit 2 | LEED™ Accredited Professional | 1 | | | | |

| Y | ?Y | ?N | N | | | Y | ?Y | ?N | N | | |
|---|----|----|---|-------------------------|------------|--------------------------------------|----|----|---|--|--|
| 3 | 1 | 0 | 0 | Regional Credits | | 4 Points Possible | | | | | |
| | | | | 95014 | | ← Project Zip Code | | | | | |
| 1 | | | | | Credit 1.1 | Regional Credit: SSc4.1 | 1 | | | | |
| 1 | | | | | Credit 1.2 | Regional Credit: SSc7.1 | 1 | | | | |
| 1 | | | | | Credit 1.3 | Regional Credit: WEC1, Opt. 1 | 1 | | | | |
| | | 1 | | | Credit 1.4 | Regional Credit: WEC3 (40%) | 1 | | | | |
| | | | 1 | | Credit 1.5 | Regional Credit: EAc2 (1%) | 1 | | | | |
| | | | 1 | | Credit 1.6 | Regional Credit: IEQc8.1 | 1 | | | | |

**Exhibit E: LEED NC v3 Scorecard
for Retail / Residential
New Construction**

LEED NC v3 Scorecard - Residential/Retail

Vallco Town Center

3/27/2018



Yes ?Y ?N No Certified 40-49 Silver 50-59 Gold 60-79 Platinum 80+

Total Project Score

| Y | ?Y | ?N | N | | |
|----|----|----|---|--------------------------|---------------------------------------------------------------------------------|
| 25 | 1 | 0 | 0 | Sustainable Sites | 26 Points Possible |
| Y | | | | Prereq 1 | Construction Activity Pollution Prevention n/a |
| 1 | | | | Credit 1 | Site Selection 1 |
| 5 | | | | Credit 2 | Development Density & Community Connectivity 5 |
| | 1 | | | Credit 3 | Brownfield Redevelopment 1 |
| 6 | | | | Credit 4.1 | Alternative Transportation, Public Transportation Access 6 |
| 1 | | | | Credit 4.2 | Alternative Transportation, Bicycle Storage & Changing Rooms 1 |
| 3 | | | | Credit 4.3 | Alternative Transportation, Low Emitting & Fuel Efficient Vehicles 3 |
| 2 | | | | Credit 4.4 | Alternative Transportation, Parking Capacity 2 |
| 1 | | | | Credit 5.1 | Site Development, Protect or Restore Habitat (or 20% of site area) 1 |
| 1 | | | | Credit 5.2 | Site Development, Maximize Open Space 1 |
| 1 | | | | Credit 6.1 | Stormwater Design, Quantity Control 1 |
| 1 | | | | Credit 6.2 | Stormwater Design, Quality Control 1 |
| 1 | | | | Credit 7.1 | Heat Island Effect, Non-Roof 1 |
| 1 | | | | Credit 7.2 | Heat Island Effect, Roof 1 |
| 1 | | | | Credit 8 | Light Pollution Reduction 1 |

| Y | ?Y | ?N | N | | |
|---|----|----|---|-------------------------|------------------------------------------------------------------------|
| 4 | 1 | 3 | 2 | Water Efficiency | 10 Points Possible |
| Y | | | | Prereq 1 | Water Use Reduction, 20% Reduction n/a |
| 2 | | 2 | | Credit 1 | Water Efficient Landscaping, Reduce by 50% , No Potable Use 2-4 |
| | | | 2 | Credit 2 | Innovative Wastewater Technologies 2 |
| 2 | 1 | 1 | | Credit 3 | Water Use Reduction, 30%, 35%, 40% reduction 2-4 |

| Y | ?Y | ?N | N | | |
|---|----|----|----|--------------------------------|---------------------------------------------------------------------|
| 8 | 10 | 4 | 13 | Energy & Atmosphere | 35 Points Possible |
| Y | | | | Prereq 1 | Fundamental Commissioning of the Building Energy Systems n/a |
| Y | | | | Prereq 2 | Minimum Energy Performance - (10% Requirement) n/a |
| Y | | | | Prereq 3 | Fundamental Refrigerant Management n/a |
| 1 | 8 | 2 | 8 | Credit 1 | Optimize Energy Performance, 26%, 36%, 44% 1-19 |
| | | 2 | 5 | Credit 2 | On-Site Renewable Energy, 3% 1-7 |
| 2 | | | | Credit 3 | Enhanced Commissioning 2 |
| | 2 | | | Credit 4 | Enhanced Refrigerant Management 2 |
| 3 | | | | Credit 5 | Measurement & Verification 3 |
| 2 | | | | Credit 6 | Green Power 35% 2 |

| Y | ?Y | ?N | N | | |
|---|----|----|---|----------------------------------------|-------------------------------------------------------------------|
| 5 | 1 | 0 | 0 | Innovation & Design Process | 6 Points Possible |
| 1 | | | | Credit 1.1 | Exemplary Performance: SSC5.1 1 |
| 1 | | | | Credit 1.2 | Exemplary Performance: SSC5.2 1 |
| | 1 | | | Credit 1.3 | Exemplary Performance: MRC4 / MRC5 1 |
| 1 | | | | Credit 1.4 | Innovation in Design: Sustainable Solid Waste Management 1 |
| 1 | | | | Credit 1.5 | Innovation in Design: Sustainable Landscape Practices 1 |
| 1 | | | | Credit 2 | LEED™ Accredited Professional 1 |

| Y | ?Y | ?N | N | | |
|---|----|----|---|----------------------------------|---------------------------------------------------------------------------|
| 5 | 2 | 0 | 7 | Materials & Resources | 14 Points Possible |
| Y | | | | Prereq 1 | Storage & Collection of Recyclables n/a |
| | | | 3 | Credit 1.1 | Building Reuse, Maintain Existing Walls, Floors & Roof 1-3 |
| | | | 1 | Credit 1.2 | Building Reuse, Maintain 50% of Interior Non-Structural Elements 1 |
| 1 | | | | Credit 2.1 | Construction Waste Management, Divert 50% 1 |
| 1 | | | | Credit 2.2 | Construction Waste Management, Divert 75% 1 |
| | | | 1 | Credit 3.1 | Materials Reuse, Specify 5% 1 |
| | | | 1 | Credit 3.2 | Materials Reuse, Specify 10% 1 |
| 1 | | | | Credit 4.1 | Recycled Content, 10% 1 |
| 1 | | | | Credit 4.2 | Recycled Content, 20% 1 |
| 1 | | | | Credit 5.1 | Regional Materials, 10% 1 |
| 1 | | | | Credit 5.2 | Regional Materials, 20% 1 |
| | | | 1 | Credit 6 | Rapidly Renewable Materials 2.5% 1 |
| | | | 1 | Credit 7 | Certified Wood 1 |

| Y | ?Y | ?N | N | | |
|----|----|----|---|-------------------------------------|--------------------------------------------------------------------------|
| 10 | 2 | 1 | 2 | Indoor Environmental Quality | 15 Points Possible |
| Y | | | | Prereq 1 | Minimum IAQ Performance n/a |
| Y | | | | Prereq 2 | Environmental Tobacco Smoke (ETS) Control n/a |
| Y | | | | Prereq 3 | Multifamily Compartmentalization n/a |
| 1 | | | | Credit 1 | Outdoor Air Delivery Monitoring 1 |
| | | | 1 | Credit 2 | Increased Ventilation 1 |
| 1 | | | | Credit 3.1 | Construction IAQ Management Plan, During Construction 1 |
| 1 | | | | Credit 3.2 | Construction IAQ Management Plan, Before Occupancy 1 |
| 1 | | | | Credit 4.1 | Low-Emitting Materials, Adhesives & Sealants 1 |
| 1 | | | | Credit 4.2 | Low-Emitting Materials, Paints & Coatings 1 |
| 1 | | | | Credit 4.3 | Low-Emitting Materials, Flooring Systems 1 |
| 1 | | | | Credit 4.4 | Low-Emitting Materials, Composite Wood & Agrifiber Products 1 |
| | | | 1 | Credit 5 | Indoor Chemical & Pollutant Source Control 1 |
| 1 | | | | Credit 6.1 | Controllability of Systems, Lighting 1 |
| 1 | | | | Credit 6.2 | Controllability of Systems, Thermal Comfort 1 |
| 1 | | | | Credit 7.1 | Thermal Comfort, Design 1 |
| | | | 1 | Credit 7.2 | Thermal Comfort, Verification 1 |
| | | | 1 | Credit 8.1 | Daylight & Views, Daylight 75% of Spaces 1 |
| | | | 1 | Credit 8.2 | Daylight & Views, Views for 90% of Spaces 1 |

| Y | ?Y | ?N | N | | |
|---|----|----|---|-------------------------|--------------------------------------|
| 2 | 2 | 0 | 0 | Regional Credits | 4 Points Possible |
| | | | | 95014 | Project Zip Code |
| 1 | | | | Credit 1.1 | Regional Credit: SSC4.1 1 |
| 1 | | | | Credit 1.2 | Regional Credit: SSC7.1 1 |
| | | | 1 | Credit 1.3 | Regional Credit: WEC2 1 |
| | | | 1 | Credit 1.4 | Regional Credit: WEC3 (40%) 1 |
| | | | 1 | Credit 1.5 | Regional Credit: EAc2 (1%) 1 |
| | | | 1 | Credit 1.6 | Regional Credit: IEQc8.1 1 |

Exhibit F:
Water Efficient Landscape Checklist



WATER-EFFICIENT LANDSCAPE CHECKLIST

Community Development Department
10300 Torre Avenue
Cupertino, CA 95014

408.777.3308 / Fax 408.777.3333
planning@cupertino.org
http://cupertino.org/planning

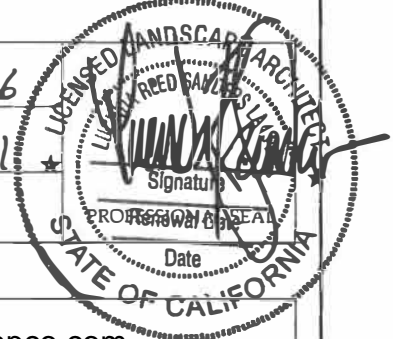
CUPERTINO

PART 1: CERTIFIED/LICENSED PROFESSIONAL INFORMATION

COMPANY & COMPANY ADDRESS: **OLIN PARTNERSHIP, LTD. 150 S. INDEPENDENCE MALL WEST SUITE 1123, PHILADELPHIA, PA 19106**

NAME: **LUCINDA R. SANDERS** LIC./CERT.#: **CALIFORNIA / LA-4341**

E-MAIL: **lsanders@theolinstudio.com** PHONE: **215-440-0030**



PART 2: PROPERTY & PROPERTY OWNER INFORMATION

PROPERTY OWNER NAME: **Vallco Property Owner LLC** E-MAIL: **info@shpco.com**

PROPERTY OWNER ADDRESS: **965 Page Mill Road, Palo Alto, CA 94304** PHONE: **650-344-1500**

PROJECT ADDRESS: **10123 N. Wolfe Road, Cupertino, CA 95014** A.P.N.: **see attached Applicant Comments**

PROJECT TYPE (CHECK APPLICABLE):
 New
 Rehabilitated
 Non-Residential

WATER SOURCE:
 Potable
 Recycled
 On-site captured rainwater
 Graywater

WATER PURVEYOR: _____

TOTAL LANDSCAPE AREA: **1,426,718** SQ. FT.
 TURF PLANT AREA: **251,893** SQ. FT.

NON-TURF PLANT AREA: **1,100,272** SQ. FT.
 SPECIAL LANDSCAPE AREA: **65,852** SQ. FT.

PART 3: COMPLIANCE CHECKLIST

| Landscape Parameter | Requirements | Compliance |
|--------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|
| TURF AREA <input type="checkbox"/> no turf | Turf shall not exceed 25% of the landscape area or 1,250 sq. ft., whichever is lesser in area. (No turf in non-residential area) | <input checked="" type="checkbox"/> YES See Applicant Comments |
| | Turf shall not be planted on slopes more than 25%. | <input checked="" type="checkbox"/> YES |
| | All portions of turf areas shall be wider than ten (10) feet (unless irrigated with subsurface irrigation or low volume irrigation system). | <input checked="" type="checkbox"/> YES |
| PLANTING AREA | At least 80% (100% for non-residential area) of non-turf area shall consist of native or low water use plants. | <input checked="" type="checkbox"/> YES |
| | No invasive and/or noxious plant species shall be planted. | <input checked="" type="checkbox"/> YES |
| | Plants with similar water needs shall be grouped within hydrozones. Each hydrozone shall be controlled by a separate valve. | <input checked="" type="checkbox"/> YES |
| SOIL MANAGEMENT | At least 4 cu. yds. of compost, six (6) inches deep, shall be applied per 1,000 sq. ft. of landscape area. | <input checked="" type="checkbox"/> YES |
| | A minimum three (3) inch layer of mulch shall be applied on all exposed soil surfaces of planting areas, except in areas of direct seeding application (e.g. hydro-seeding). | <input checked="" type="checkbox"/> YES |
| | Grading shall be designed to minimize soil erosion, run-off, and water waste. | <input checked="" type="checkbox"/> YES |
| IRRIGATION SYSTEM <input type="checkbox"/> no irrigation system | Automatic irrigation controllers are required and must use evapotranspiration or soil moisture sensor data and utilize a rain sensor. | <input checked="" type="checkbox"/> YES |
| | Irrigation controllers shall be a type which does not lose programming data in the event the primary power source is interrupted. | <input checked="" type="checkbox"/> YES |



WATER-EFFICIENT LANDSCAPE CHECKLIST

Community Development Department
10300 Torre Avenue
Cupertino, CA 95014

408.777.3308 / Fax 408.777.3333
planning@cupertino.org
http://cupertino.org/planning

CUPERTINO

| Landscape Parameter | Requirements | Compliance |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| IRRIGATION SYSTEM | Pressure regulators shall be installed on the irrigation system to ensure the dynamic pressure of the system is within the manufacturer's recommended pressure range. | <input checked="" type="checkbox"/> YES |
| | Manual shut-off valves (such as a gate valve, ball valve, or butterfly valve) shall be installed as close to possible to the point of connection of the water supply. | <input checked="" type="checkbox"/> YES |
| | All irrigation emission devices must meet the requirements set in the ANSI standard, ASABE/ICC 802-2014 "Landscape Irrigation Sprinkler and Emitter Standard." All sprinkler heads installed in the landscape must document a distribution uniformity low quarter of 0.65 or higher using the protocol defined in ASABE/ICC 802-2014. | <input checked="" type="checkbox"/> YES |
| | Dedicated irrigation meters are required for non-residential projects with more than 1,000 sq. ft. of landscape area. | <input checked="" type="checkbox"/> YES |
| WATER FEATURES <input checked="" type="checkbox"/> pool <input checked="" type="checkbox"/> other: <u>FOUNTAIN</u> <input type="checkbox"/> no water features | Pool and spa covers shall be installed. | <input checked="" type="checkbox"/> YES |
| | Recirculating water systems shall be used for all water features. | <input checked="" type="checkbox"/> YES |
| | Water features are limited to 10% of the landscaped area. | <input checked="" type="checkbox"/> YES |

I am aware of available informational resources regarding native and low water use plants, irrigation efficiency, and other aspects of water-efficient landscaping. I certify that the information provided on this checklist is correct, and the installed landscape complies with the requirements of Chapter 14.15 and /or the requirements of the Prescriptive Compliance Option. I also understand that any changes to the project will necessitate a new checklist.

SIGNATURE OF PROPERTY OWNER OR AUTHORIZED REPRESENTATIVE

X Richard R. Sanders

SIGNATURE OF LICENSED/CERTIFIED LANDSCAPE PROFESSIONAL

DATE

06/10/2018

DATE

06/08/2018

Applicant Comments

Use additional paper if necessary

See attached Applicant Comments.

Staff Evaluation

- Approved
- Not Approved

Permit # _____

Staff Comments

SIGNATURE

DATE

WATER EFFICIENT LANDSCAPE CHECKLIST

Vallco Town Center
Applicant Comments
June 15, 2018

1. PART 2: TOTAL LANDSCAPE AREA

Please note that the “Total Landscape Area” includes the area for water features and fountains.

2. PART 2: APNs

The APNs for the Property are:

- APN 316-20-080 APN 316-20-100
- APN 316-20-081 APN 316-20-101
- APN 316-20-082 APN 316-20-103
- APN 316-20-088 APN 316-20-104
- APN 316-20-094 APN 316-20-105
- APN 316-20-095 APN 316-20-106
- APN 316-20-099 APN 316-20-107

3. PART 3: CHECKLIST COMPLIANCE

The Application checklist does not include the option (b) as per the Ordinance that allows the applicant to, “Prepare of a water budget calculation, per the provisions of Section 14.15.070”:

| | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|---------------------------------------------------------------------------------|
| 1. Options to demonstrate water efficiency | | |
| a. i. Total turf area shall not exceed 25% of the landscape area, or 1,250 square feet, whichever is lesser in area and ii. At least 80% of the plants within non-turf areas shall be native or low water-use | OR | b. Prepare a water budget calculation, per the provisions of Section 14.15.070. |
| AND | | |
| 2. Turf Restrictions | | |
| a. Turf shall not be planted on slopes greater than 25%. b. Turf areas shall not be less than ten feet wide. | | |

The total turf areas for the Project are less than 25% the landscape area and at least 80% of the plants within non-turf areas shall be native or low water-use. The Application, however, proposes more than 1,250 square feet of turf. Accordingly, the Applicant will provide “Appendix B Water Budget Worksheet” to be reviewed and approved prior to final permit issuance per CMC 14.15.050.

Exhibit A: Supplemental Area Calculations

Vallco Town Center – Supplemental Area Calculations

June 15, 2018

I. Floor Area Calculations

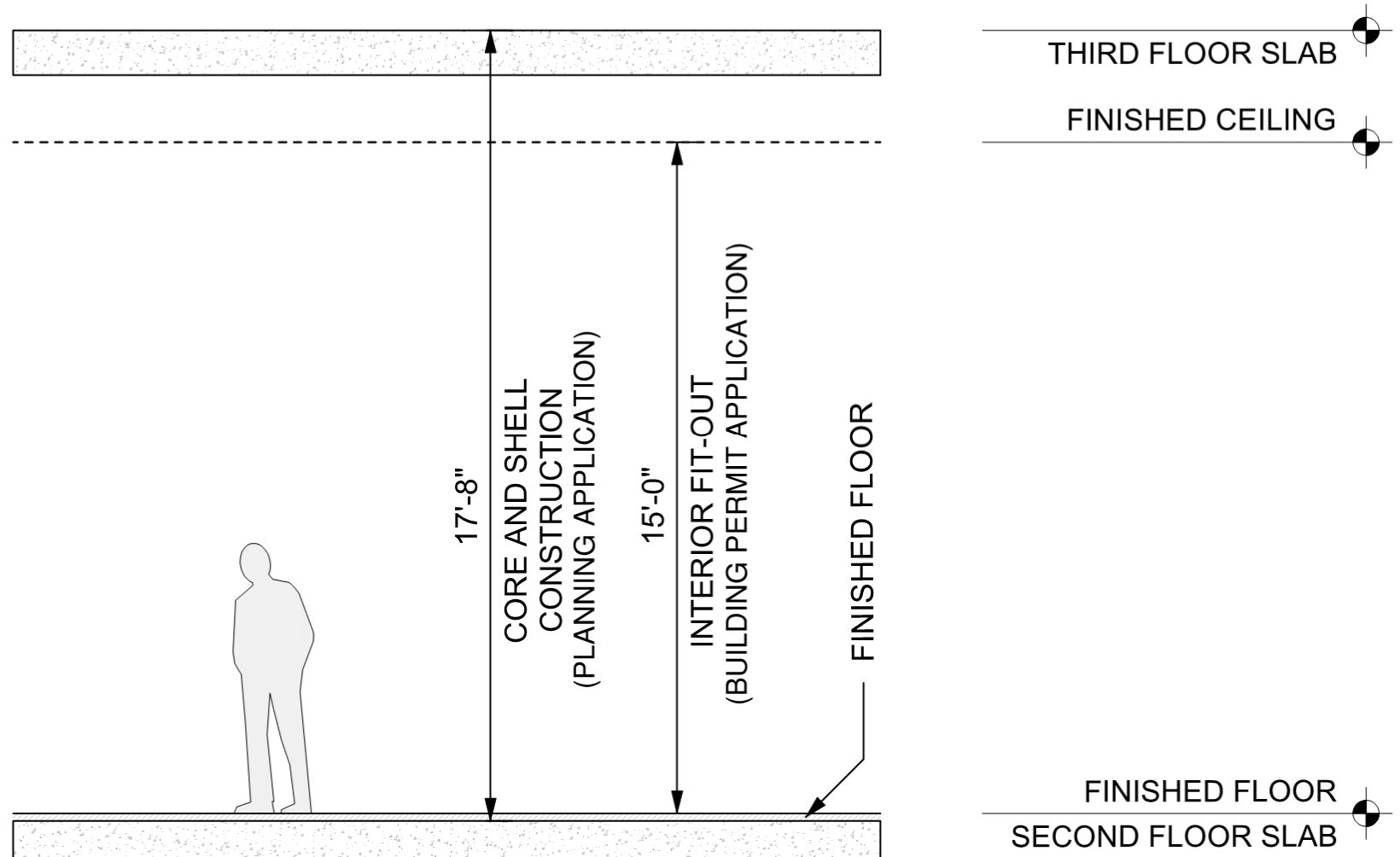
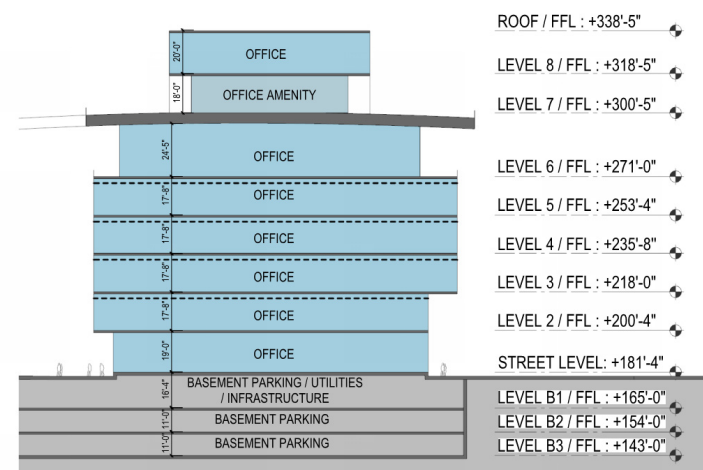
| Project Total | | | | | | | | | | | | | | | | |
|--------------------|----------------|----------------|------------------|----------|----------------|----------------|---------------|----------------|----------------|----------------|----------------|----------------|------------------|--|------------------|---------------|
| | Block 1 | Block 2 | Block 3 | Block 3A | Block 4 | Block 5 | Bridge | Block 6 | Block 7 | Block 8 | Block 9 | Block 10 | Block 11 | | TOTAL | (%) |
| Unit | 104,893 | 449,991 | 802,863 | - | 304,932 | 248,229 | - | - | - | - | 409,524 | 393,908 | - | | 2,714,340 | - |
| Amenity | 1,918 | 58,400 | 144,543 | - | 74,508 | 58,872 | 41,000 | - | - | - | 90,623 | 80,191 | - | | 550,055 | - |
| Parking | - | 158,370 | 418,156 | - | 254,413 | 214,912 | - | - | - | - | 209,853 | 179,901 | - | | 1,435,605 | - |
| Residential | 106,811 | 666,761 | 1,365,562 | | 633,853 | 522,013 | 41,000 | - | | | 710,000 | 654,000 | - | | 4,700,000 | 68.0% |
| Office | - | - | - | | - | - | | 247,000 | 282,000 | 242,000 | - | - | 1,039,000 | | 1,810,000 | 26.2% |
| Retail | 220,189 | 83,239 | 14,438 | | 66,147 | 15,987 | | - | - | - | - | - | - | | 400,000 | 5.8% |
| Total | 327,000 | 750,000 | 1,380,000 | | 700,000 | 538,000 | 41,000 | 247,000 | 282,000 | 242,000 | 710,000 | 654,000 | 1,039,000 | | 6,910,000 | 100.0% |

II. Floor Area Calculations *Alternate Calculation with Double-Counted Area for Extra-Tall Ceilings*

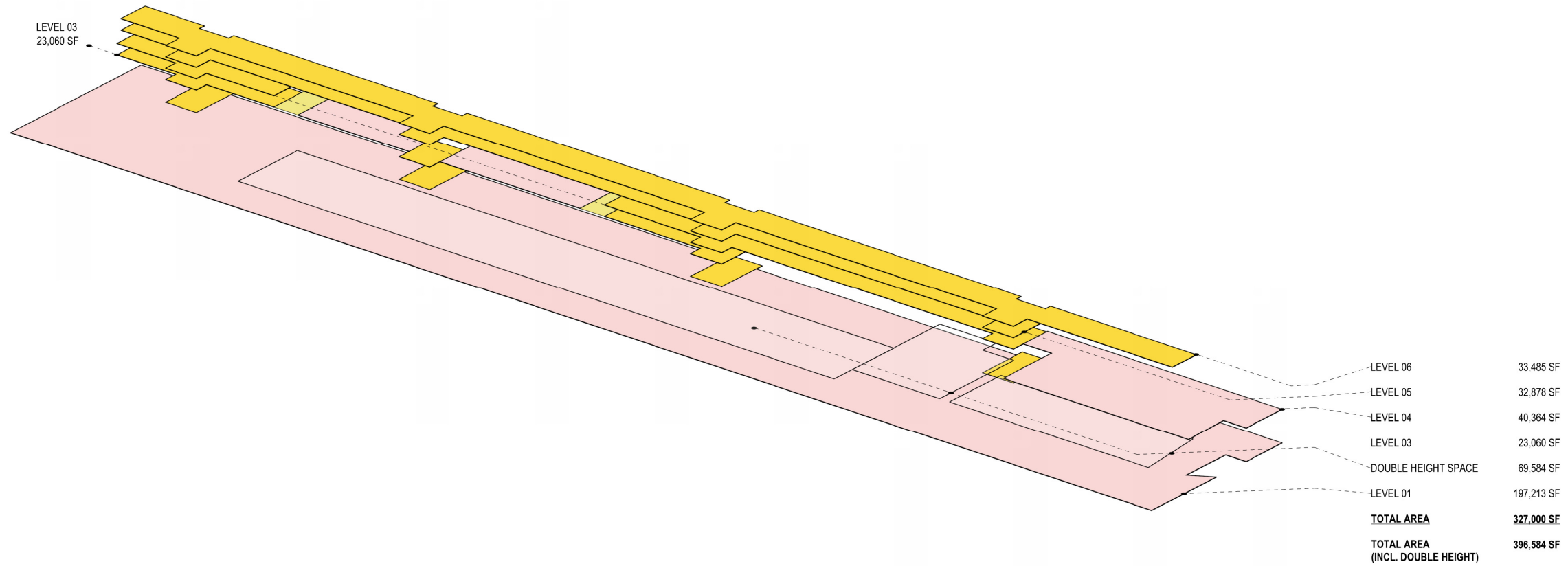
| Project Total | | | | | | | | | | | | | | | | |
|--------------------|----------------|----------------|------------------|----------|----------------|----------------|---------------|----------------|----------------|----------------|----------------|----------------|------------------|--|------------------|---------------|
| | Block 1 | Block 2 | Block 3 | Block 3A | Block 4 | Block 5 | Bridge | Block 6 | Block 7 | Block 8 | Block 9 | Block 10 | Block 11 | | TOTAL | (%) |
| Unit | 104,893 | 449,991 | 802,863 | - | 304,932 | 248,229 | - | - | - | - | 409,524 | 393,908 | - | | 2,714,340 | - |
| Amenity | 1,918 | 82,989 | 188,871 | - | 96,430 | 76,763 | 78,326 | - | - | - | 108,356 | 95,850 | - | | 729,503 | - |
| Parking | - | 177,425 | 438,632 | - | 287,055 | 225,195 | - | - | - | - | 209,853 | 179,901 | - | | 1,518,061 | - |
| Residential | 106,811 | 710,405 | 1,430,366 | | 688,417 | 550,187 | 78,326 | - | - | - | 727,733 | 669,659 | - | | 4,961,904 | 66.8% |
| Office | - | - | - | | - | - | | 247,000 | 282,000 | 242,000 | - | - | 1,210,447 | | 1,981,447 | 26.7% |
| Retail | 289,773 | 91,403 | 14,438 | | 74,311 | 15,987 | | - | - | - | - | - | - | | 485,912 | 6.5% |
| Total | 396,584 | 801,808 | 1,444,804 | | 762,728 | 566,174 | 78,326 | 247,000 | 282,000 | 242,000 | 727,733 | 669,659 | 1,210,447 | | 7,429,263 | 100.0% |

OFFICE TENANT FIT-OUT METHODOLOGY

Typical Floor



BLOCK 1

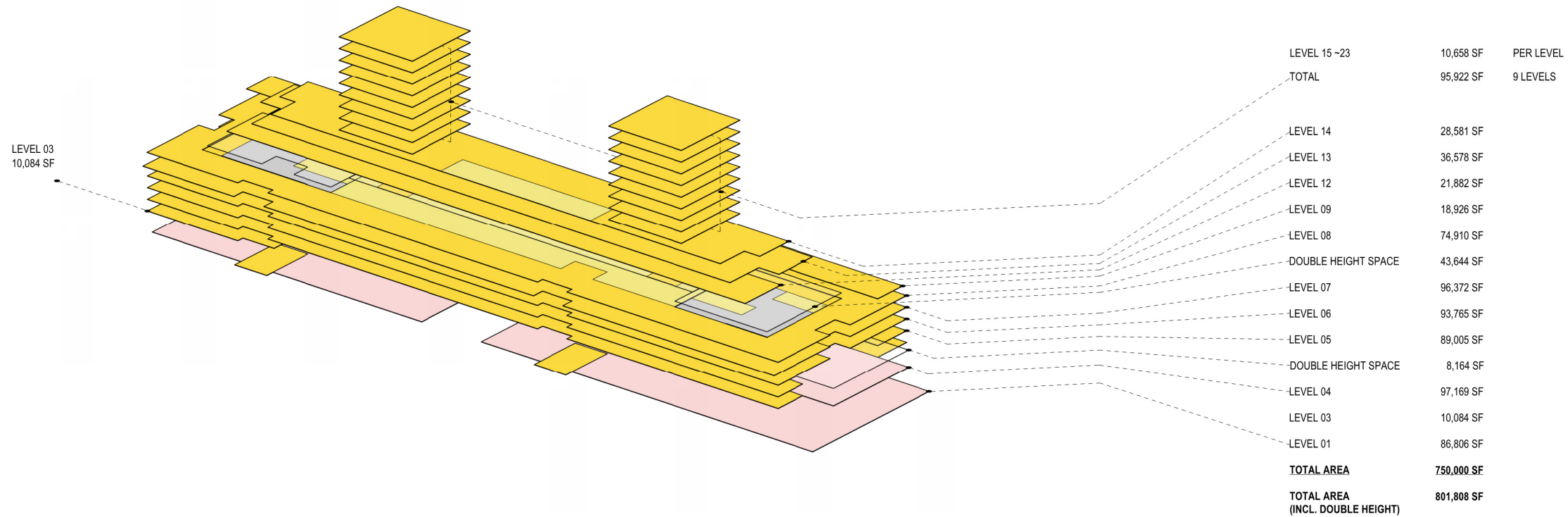


AREA CALCULATION WITH DOUBLE COUNTING EXTRA SPACES

| BLOCK 1 | RESIDENTIAL | | | TOTAL RESIDENTIAL AREA | TOTAL OFFICE AREA | TOTAL RETAIL AREA | TOTAL FLOOR AREA | DOUBLE HEIGHT SPACES AREA CALCULATION | TOTAL FLOOR AREA (INCL. DOUBLE HEIGHT SPACES AREA) |
|---------------------------------|-------------------|-----------------|--------------|------------------------|-------------------|-------------------|-------------------|---------------------------------------|----------------------------------------------------|
| | UNIT AREA* | AMENITY AREA | PARKING AREA | | | | | | |
| LEVEL 15 TO 23 (TOTAL 9 FLOORS) | | | | | | | | | |
| LEVEL 14 | | | | | | | | | |
| LEVEL 13 | | | | | | | | | |
| LEVEL 12 | | | | | | | | | |
| LEVEL 11 | | | | | | | | | |
| LEVEL 10 | | | | | | | | | |
| LEVEL 09 | | | | | | | | | |
| LEVEL 08 | | | | | | | | | |
| LEVEL 07 | | | | | | | | | |
| LEVEL 06 | 33,485 SF | | | 33,485 SF | | | 33,485 SF | | 33,485 SF |
| LEVEL 05 | 32,878 SF | | | 32,878 SF | | | 32,878 SF | | 32,878 SF |
| LEVEL 04 | 21,506 SF | 1,918 SF | | 23,424 SF | | 16,940 SF | 40,364 SF | | 40,364 SF |
| LEVEL 03 | 11,019 SF | | | 11,019 SF | | 12,041 SF | 23,060 SF | | 23,060 SF |
| LEVEL 02 | | | | | | | | | |
| LEVEL 01 | 6,005 SF | | | 6,005 SF | | 191,208 SF | 197,213 SF | 69,584 SF | 266,797 SF |
| TOTAL BLOCK AREA | 104,893 SF | 1,918 SF | | 106,811 SF | | 220,189 SF | 327,000 SF | 69,584 SF | 396,584 SF |

NOTE* : UNIT AREA INCLUDES UNITS, CORES, CORRIDORS & LOBBIES.

BLOCK 2

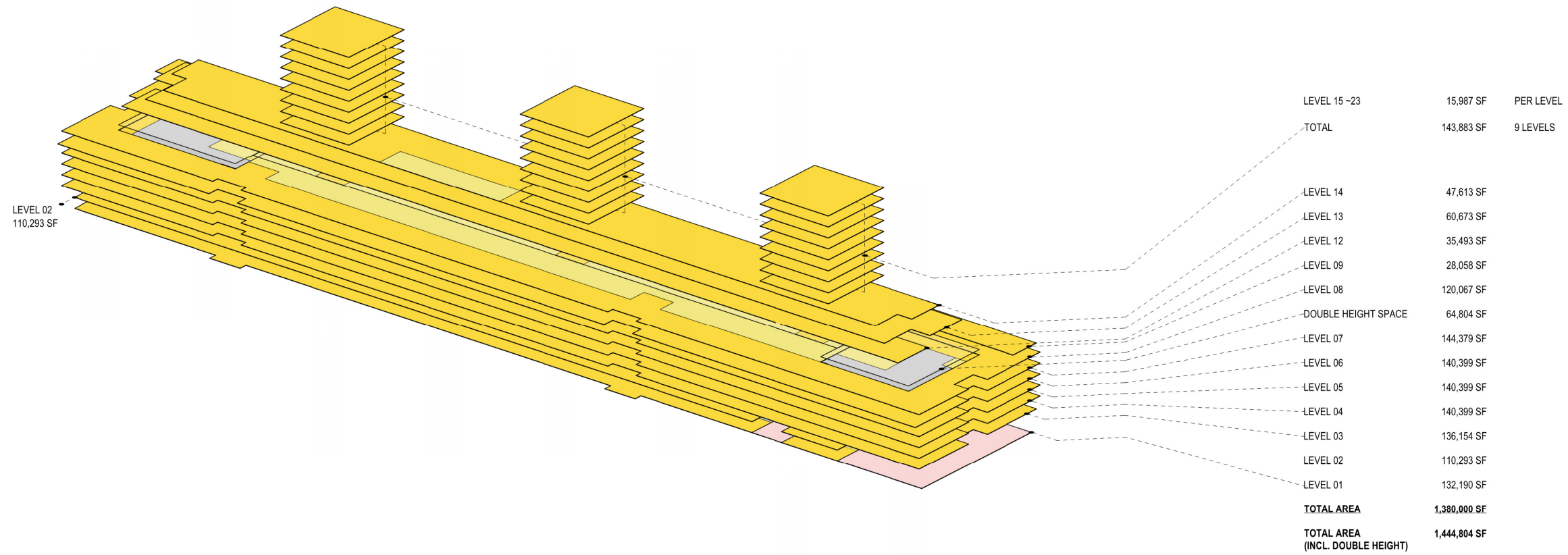


AREA CALCULATION WITH
DOUBLE COUNTING EXTRA SPACES

| BLOCK 2 | RESIDENTIAL | | | TOTAL RESIDENTIAL AREA | TOTAL OFFICE AREA | TOTAL RETAIL AREA | TOTAL FLOOR AREA | DOUBLE HEIGHT SPACES AREA CALCULATION | TOTAL FLOOR AREA (INCL. DOUBLE HEIGHT SPACES AREA) |
|---------------------------------|-------------------|------------------|-------------------|------------------------|-------------------|-------------------|-------------------|---------------------------------------|----------------------------------------------------|
| | UNIT AREA* | AMENITY AREA | PARKING AREA | | | | | | |
| LEVEL 15 TO 23 (TOTAL 9 FLOORS) | 95,922 SF | | | 95,922 SF | | | 95,922 SF | | 95,922 SF |
| LEVEL 14 | 24,579 SF | 4,002 SF | | 28,581 SF | | | 28,581 SF | | 28,581 SF |
| LEVEL 13 | 36,578 SF | | | 36,578 SF | | | 36,578 SF | | 36,578 SF |
| LEVEL 12 | 21,882 SF | | | 21,882 SF | | | 21,882 SF | | 21,882 SF |
| LEVEL 11 | | | | | | | | | |
| LEVEL 10 | | | | | | | | | |
| LEVEL 09 | 18,926 SF | | | 18,926 SF | | | 18,926 SF | | 18,926 SF |
| LEVEL 08 | 46,788 SF | 28,122 SF | | 74,910 SF | | | 74,910 SF | | 74,910 SF |
| LEVEL 07 | 49,749 SF | 11,394 SF | 35,229 SF | 96,372 SF | | | 96,372 SF | 43,644 SF | 140,016 SF |
| LEVEL 06 | 46,912 SF | 6,934 SF | 39,919 SF | 93,765 SF | | | 93,765 SF | | 93,765 SF |
| LEVEL 05 | 44,500 SF | 3,974 SF | 40,531 SF | 89,005 SF | | | 89,005 SF | | 89,005 SF |
| LEVEL 04 | 44,500 SF | 3,974 SF | 40,531 SF | 89,005 SF | | 8,164 SF | 97,169 SF | 8,164 SF | 105,333 SF |
| LEVEL 03 | 10,084 SF | | | 10,084 SF | | | 10,084 SF | | 10,084 SF |
| LEVEL 02 | | | | | | | | | |
| LEVEL 01 | 9,571 SF | | 2,160 SF | 11,731 SF | | 75,075 SF | 86,806 SF | | 86,806 SF |
| TOTAL BLOCK AREA | 449,991 SF | 58,400 SF | 158,370 SF | 666,761 SF | | 83,239 SF | 750,000 SF | 51,808 SF | 801,808 SF |

NOTE : UNIT AREA INCLUDES UNITS, CORES, CORRIDORS & LOBBIES.

BLOCK 3

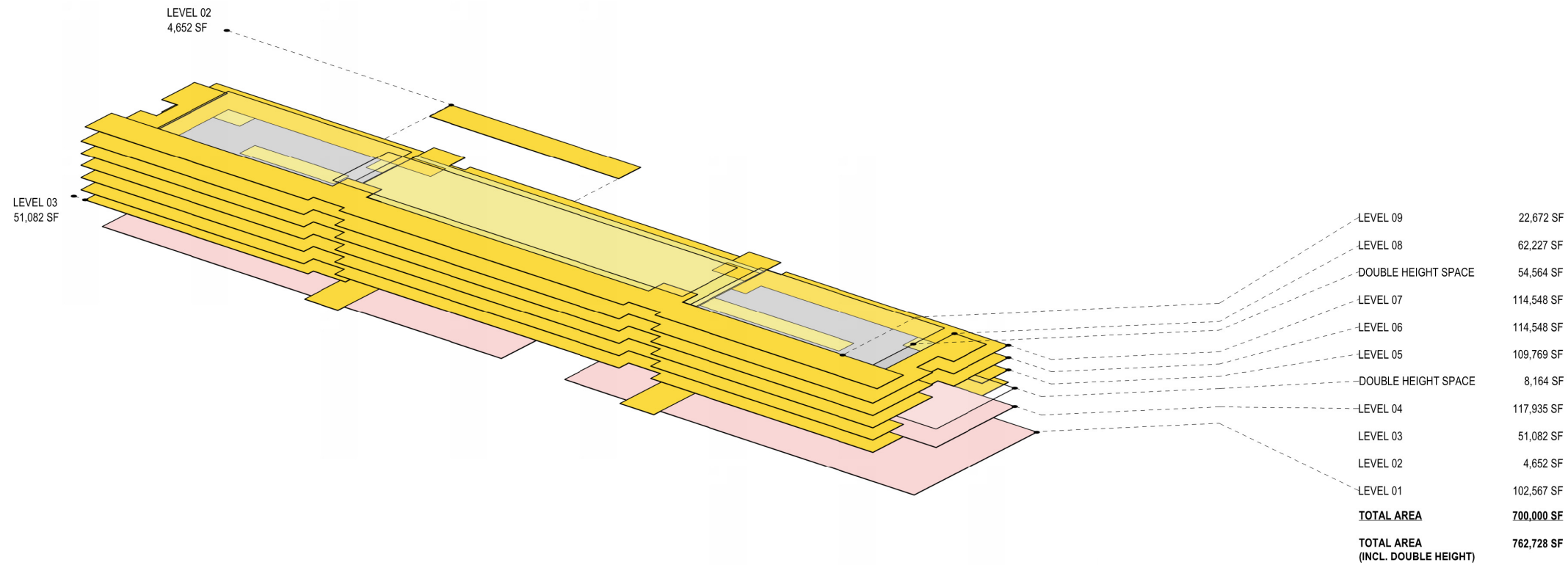


AREA CALCULATION WITH
DOUBLE COUNTING EXTRA SPACES

| BLOCK 3 | RESIDENTIAL | | | TOTAL RESIDENTIAL AREA | TOTAL OFFICE AREA | TOTAL RETAIL AREA | TOTAL FLOOR AREA | DOUBLE HEIGHT SPACES AREA CALCULATION | TOTAL FLOOR AREA (INCL. DOUBLE HEIGHT SPACES AREA) |
|---------------------------------|-------------------|-------------------|-------------------|------------------------|-------------------|-------------------|---------------------|---------------------------------------|----------------------------------------------------|
| | UNIT AREA* | AMENITY AREA | PARKING AREA | | | | | | |
| LEVEL 15 TO 23 (TOTAL 9 FLOORS) | 143,883 SF | | | 143,883 SF | | | 143,883 SF | | 143,883 SF |
| LEVEL 14 | 40,630 SF | 6,983 SF | | 47,613 SF | | | 47,613 SF | | 47,613 SF |
| LEVEL 13 | 60,673 SF | | | 60,673 SF | | | 60,673 SF | | 60,673 SF |
| LEVEL 12 | 35,493 SF | | | 35,493 SF | | | 35,493 SF | | 35,493 SF |
| LEVEL 11 | | | | | | | | | |
| LEVEL 10 | | | | | | | | | |
| LEVEL 09 | 28,058 SF | | | 28,058 SF | | | 28,058 SF | | 28,058 SF |
| LEVEL 08 | 67,171 SF | 52,896 SF | | 120,067 SF | | | 120,067 SF | | 120,067 SF |
| LEVEL 07 | 71,415 SF | 19,684 SF | 53,280 SF | 144,379 SF | | | 144,379 SF | 64,804 SF | 209,183 SF |
| LEVEL 06 | 67,171 SF | 11,210 SF | 62,018 SF | 140,399 SF | | | 140,399 SF | | 140,399 SF |
| LEVEL 05 | 67,171 SF | 10,691 SF | 62,537 SF | 140,399 SF | | | 140,399 SF | | 140,399 SF |
| LEVEL 04 | 67,171 SF | 10,691 SF | 62,537 SF | 140,399 SF | | | 140,399 SF | | 140,399 SF |
| LEVEL 03 | 62,926 SF | 10,691 SF | 62,537 SF | 136,154 SF | | | 136,154 SF | | 136,154 SF |
| LEVEL 02 | 41,673 SF | 8,908 SF | 59,712 SF | 110,293 SF | | | 110,293 SF | | 110,293 SF |
| LEVEL 01 | 49,428 SF | 12,789 SF | 55,535 SF | 117,752 SF | | 14,438 SF | 132,190 SF | | 132,190 SF |
| TOTAL BLOCK AREA | 802,863 SF | 144,543 SF | 418,156 SF | 1,365,562 SF | | 14,438 SF | 1,380,000 SF | 64,804 SF | 1,444,804 SF |

NOTE: * UNIT AREA INCLUDES UNITS, CORES, CORRIDORS & LOBBIES.

BLOCK 4

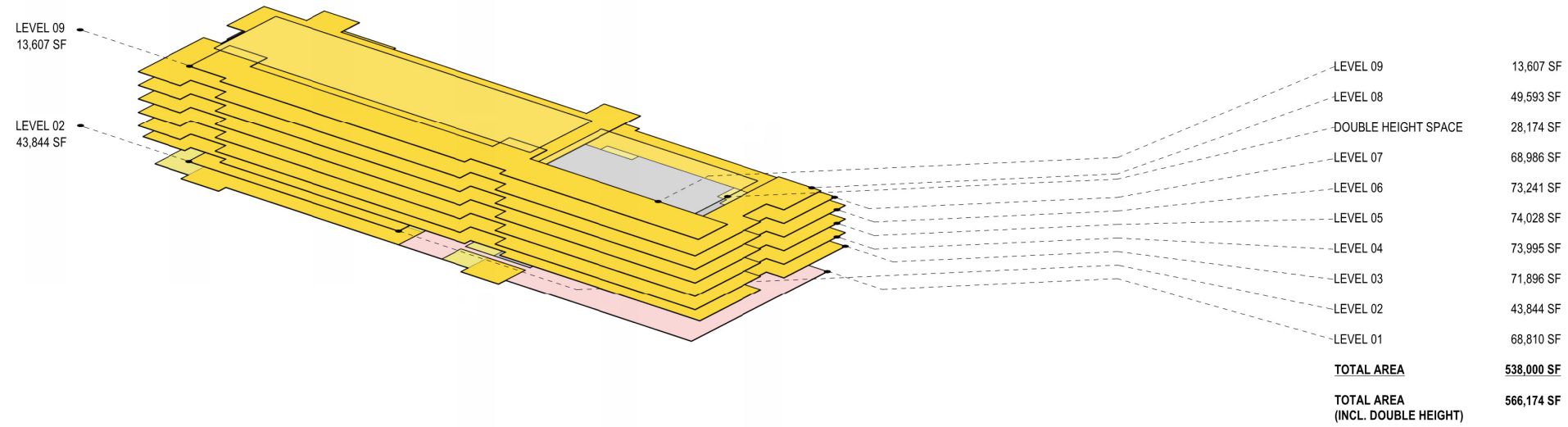


AREA CALCULATION WITH DOUBLE COUNTING EXTRA SPACES

| BLOCK 4 | RESIDENTIAL | | | TOTAL RESIDENTIAL AREA | TOTAL OFFICE AREA | TOTAL RETAIL AREA | TOTAL FLOOR AREA | DOUBLE HEIGHT SPACES AREA CALCULATION | TOTAL FLOOR AREA (INCL. DOUBLE HEIGHT SPACES AREA) |
|---------------------------------|-------------------|------------------|-------------------|------------------------|-------------------|-------------------|------------------|---------------------------------------|----------------------------------------------------|
| | UNIT AREA* | AMENITY AREA | PARKING AREA | | | | | | |
| LEVEL 15 TO 23 (TOTAL 9 FLOORS) | | | | | | | | | |
| LEVEL 14 | | | | | | | | | |
| LEVEL 13 | | | | | | | | | |
| LEVEL 12 | | | | | | | | | |
| LEVEL 11 | | | | | | | | | |
| LEVEL 10 | | | | | | | | | |
| LEVEL 09 | 22,672 SF | | | 22,672 SF | | | | | 22,672 SF |
| LEVEL 08 | 32,696 SF | 29,531 SF | | 62,227 SF | | | | | 62,227 SF |
| LEVEL 07 | 54,575 SF | 12,721 SF | 47,252 SF | 114,548 SF | | | 54,564 SF | | 169,112 SF |
| LEVEL 06 | 54,575 SF | 4,322 SF | 55,651 SF | 114,548 SF | | | | | 114,548 SF |
| LEVEL 05 | 52,106 SF | 3,435 SF | 54,228 SF | 109,769 SF | | | | | 109,769 SF |
| LEVEL 04 | 52,106 SF | 2,926 SF | 54,739 SF | 109,771 SF | | 8,164 SF | | 8,164 SF | 126,099 SF |
| LEVEL 03 | 21,971 SF | 1,766 SF | 27,345 SF | 51,082 SF | | | | | 51,082 SF |
| LEVEL 02 | 4,652 SF | | | 4,652 SF | | | | | 4,652 SF |
| LEVEL 01 | 9,579 SF | 19,807 SF | 15,198 SF | 44,584 SF | | 57,983 SF | | | 102,567 SF |
| TOTAL BLOCK AREA | 304,932 SF | 74,508 SF | 254,413 SF | 633,853 SF | | 66,147 SF | | 62,728 SF | 762,728 SF |

NOTE*: UNIT AREA INCLUDES UNITS, CORES, CORRIDORS & LOBBIES.

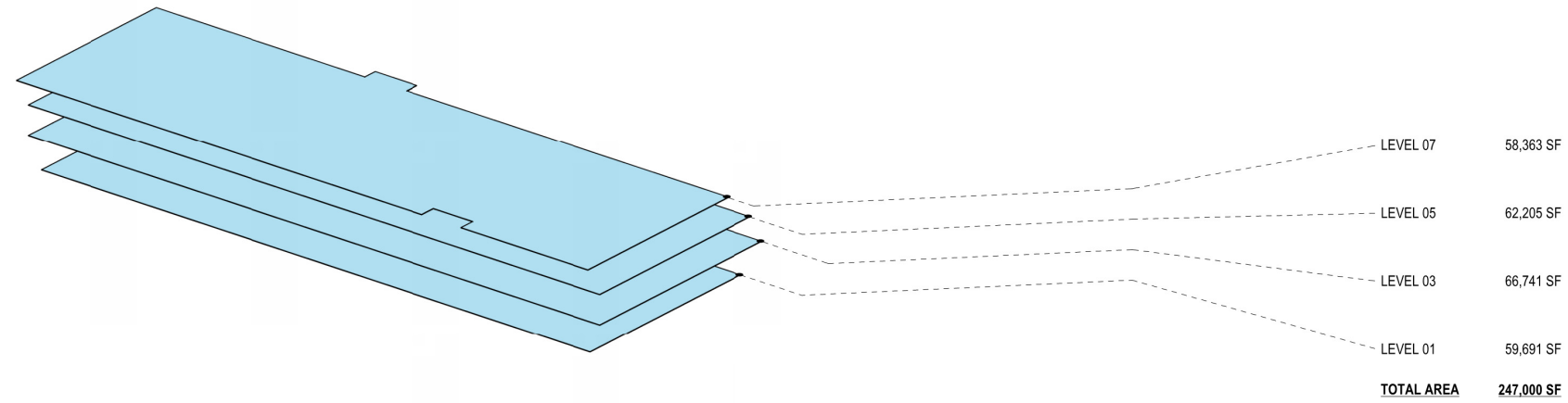
BLOCK 5



| BLOCK 5 | RESIDENTIAL | | | TOTAL RESIDENTIAL AREA | TOTAL OFFICE AREA | TOTAL RETAIL AREA | TOTAL FLOOR AREA | AREA CALCULATION WITH DOUBLE COUNTING EXTRA SPACES | |
|---------------------------------|-------------------|------------------|-------------------|------------------------|-------------------|-------------------|-------------------|----------------------------------------------------|----------------------------------------------------|
| | UNIT AREA* | AMENITY AREA | PARKING AREA | | | | | DOUBLE HEIGHT SPACES AREA CALCULATION | TOTAL FLOOR AREA (INCL. DOUBLE HEIGHT SPACES AREA) |
| LEVEL 15 TO 23 (TOTAL 9 FLOORS) | | | | | | | | | |
| LEVEL 14 | | | | | | | | | |
| LEVEL 13 | | | | | | | | | |
| LEVEL 12 | | | | | | | | | |
| LEVEL 11 | | | | | | | | | |
| LEVEL 10 | | | | | | | | | |
| LEVEL 09 | 13,607 SF | | | 13,607 SF | | | 13,607 SF | | 13,607 SF |
| LEVEL 08 | 24,979 SF | 24,614 SF | | 49,593 SF | | | 49,593 SF | | 49,593 SF |
| LEVEL 07 | 36,747 SF | 3,776 SF | 28,463 SF | 68,986 SF | | | 68,986 SF | 28,174 SF | 97,160 SF |
| LEVEL 06 | 37,259 SF | 3,076 SF | 32,906 SF | 73,241 SF | | | 73,241 SF | | 73,241 SF |
| LEVEL 05 | 36,792 SF | 4,377 SF | 32,859 SF | 74,028 SF | | | 74,028 SF | | 74,028 SF |
| LEVEL 04 | 35,483 SF | 5,662 SF | 32,850 SF | 73,995 SF | | | 73,995 SF | | 73,995 SF |
| LEVEL 03 | 33,384 SF | 5,662 SF | 32,850 SF | 71,896 SF | | | 71,896 SF | | 71,896 SF |
| LEVEL 02 | 13,745 SF | 3,257 SF | 26,842 SF | 43,844 SF | | | 43,844 SF | | 43,844 SF |
| LEVEL 01 | 16,233 SF | 8,448 SF | 28,142 SF | 52,823 SF | | 15,987 SF | 68,810 SF | | 68,810 SF |
| TOTAL BLOCK AREA | 248,229 SF | 58,872 SF | 214,912 SF | 522,013 SF | | 15,987 SF | 538,000 SF | 28,174 SF | 566,174 SF |

NOTE* : UNIT AREA INCLUDES UNITS, CORES, CORRIDORS & LOBBIES.

BLOCK 6

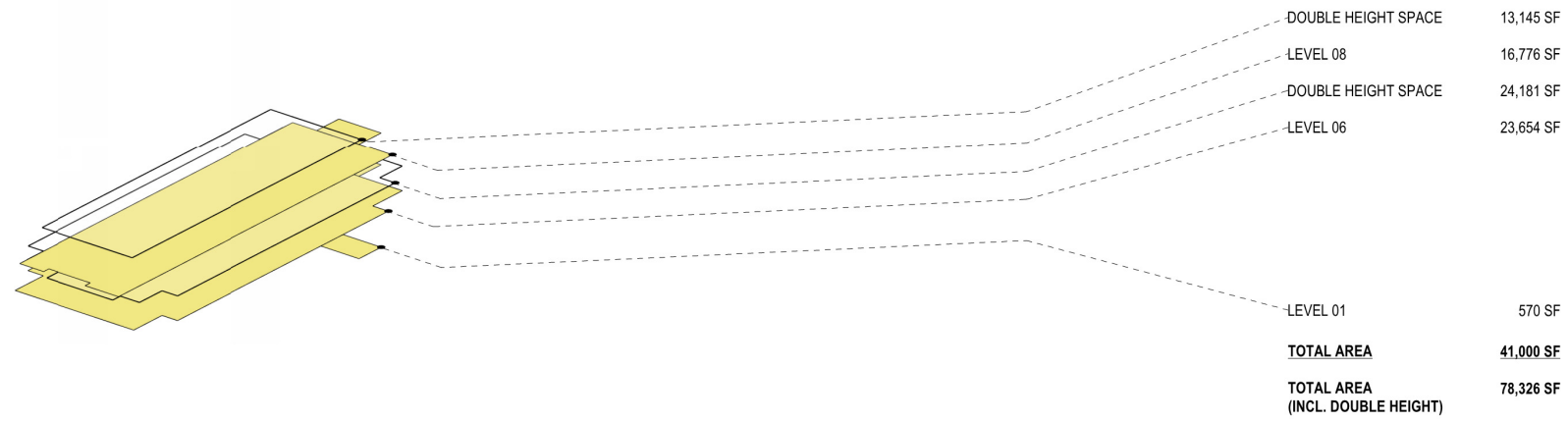


AREA CALCULATION WITH DOUBLE COUNTING EXTRA SPACES

| BLOCK 6 | RESIDENTIAL | | | TOTAL RESIDENTIAL AREA | TOTAL OFFICE AREA | TOTAL RETAIL AREA | TOTAL FLOOR AREA | DOUBLE HEIGHT SPACES AREA CALCULATION | TOTAL FLOOR AREA (INCL. DOUBLE HEIGHT SPACES AREA) |
|---------------------------------|-------------|--------------|--------------|------------------------|-------------------|-------------------|-------------------|---------------------------------------|----------------------------------------------------|
| | UNIT AREA* | AMENITY AREA | PARKING AREA | | | | | | |
| LEVEL 15 TO 23 (TOTAL 9 FLOORS) | | | | | | | | | |
| LEVEL 14 | | | | | | | | | |
| LEVEL 13 | | | | | | | | | |
| LEVEL 12 | | | | | | | | | |
| LEVEL 11 | | | | | | | | | |
| LEVEL 10 | | | | | | | | | |
| LEVEL 09 | | | | | | | | | |
| LEVEL 08 | | | | | | | | | |
| LEVEL 07 (FOURTH FLOOR) | | | | | 58,363 SF | | 58,363 SF | | |
| LEVEL 06 | | | | | | | | | |
| LEVEL 05 (THIRD FLOOR) | | | | | 62,205 SF | | 62,205 SF | | |
| LEVEL 04 | | | | | | | | | |
| LEVEL 03 (SECOND FLOOR) | | | | | 66,741 SF | | 66,741 SF | | |
| LEVEL 02 | | | | | | | | | |
| LEVEL 01 (FIRST FLOOR) | | | | | 59,691 SF | | 59,691 SF | | |
| TOTAL BLOCK AREA | | | | | 247,000 SF | | 247,000 SF | | |

NOTE*: UNIT AREA INCLUDES UNITS, CORES, CORRIDORS & LOBBIES.

BRIDGE OVER WOLFE

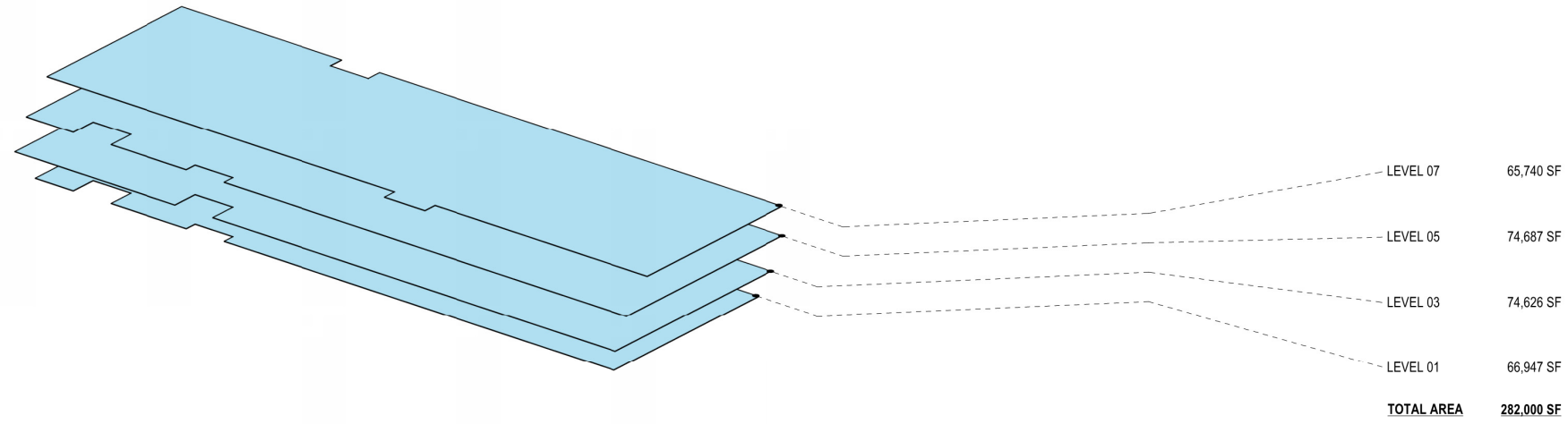


AREA CALCULATION WITH DOUBLE COUNTING EXTRA SPACES

| BRIDGE | RESIDENTIAL | | | TOTAL RESIDENTIAL AREA | TOTAL OFFICE AREA | TOTAL RETAIL AREA | TOTAL FLOOR AREA | DOUBLE HEIGHT SPACES AREA CALCULATION | TOTAL FLOOR AREA (INCL. DOUBLE HEIGHT SPACES AREA) |
|---------------------------------|-------------|--------------|--------------|------------------------|-------------------|-------------------|------------------|---------------------------------------|----------------------------------------------------|
| | UNIT AREA* | AMENITY AREA | PARKING AREA | | | | | | |
| LEVEL 15 TO 23 (TOTAL 9 FLOORS) | | | | | | | | | |
| LEVEL 14 | | | | | | | | | |
| LEVEL 13 | | | | | | | | | |
| LEVEL 12 | | | | | | | | | |
| LEVEL 11 | | | | | | | | | |
| LEVEL 10 | | | | | | | | | |
| LEVEL 09 | | | | | | | | | |
| LEVEL 08 | | 16,776 SF | | 16,776 SF | | | 16,776 SF | 13,145 SF | 29,921 SF |
| LEVEL 07 | | | | | | | | | |
| LEVEL 06 | | 23,654 SF | | 23,654 SF | | | 23,654 SF | 24,181 SF | 47,835 SF |
| LEVEL 05 | | | | | | | | | |
| LEVEL 04 | | | | | | | | | |
| LEVEL 03 | | | | | | | | | |
| LEVEL 02 | | | | | | | | | |
| LEVEL 01 | | 570 SF | | 570 SF | | | 570 SF | | 570 SF |
| TOTAL BLOCK AREA | | 41,000 SF | | 41,000 SF | | | 41,000 SF | 37,326 SF | 78,326 SF |

NOTE*: UNIT AREA INCLUDES UNITS, CORES, CORRIDORS & LOBBIES.

BLOCK 7

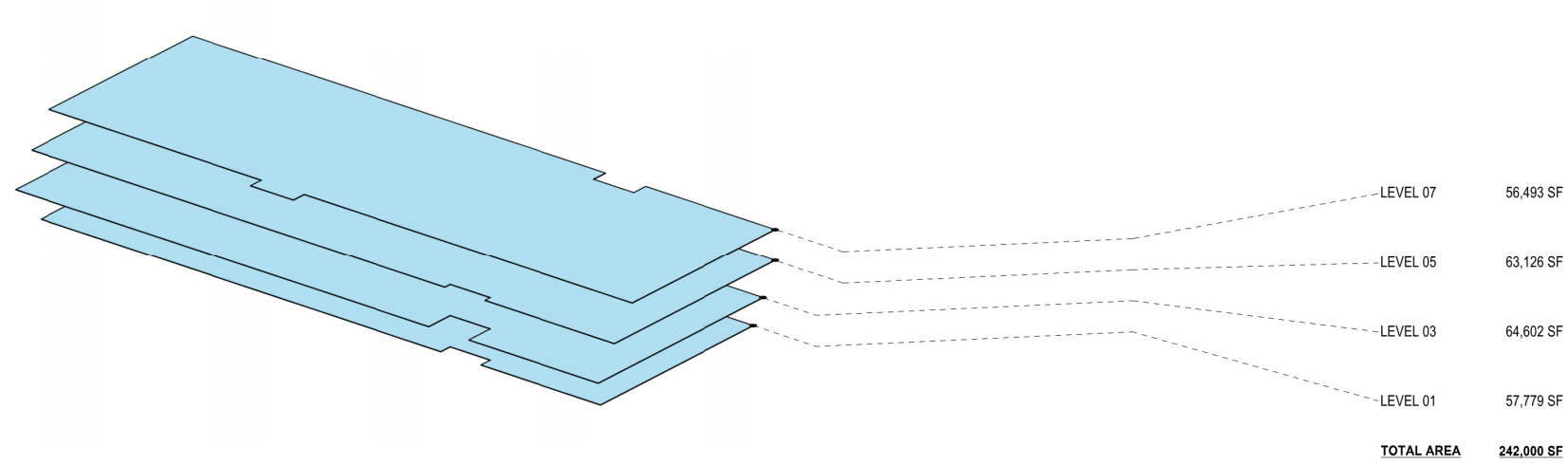


AREA CALCULATION WITH
DOUBLE COUNTING EXTRA SPACES

| BLOCK 7 | RESIDENTIAL | | | TOTAL RESIDENTIAL AREA | TOTAL OFFICE AREA | TOTAL RETAIL AREA | TOTAL FLOOR AREA | DOUBLE HEIGHT SPACES AREA CALCULATION | TOTAL FLOOR AREA (INCL. DOUBLE HEIGHT SPACES AREA) |
|---------------------------------|-------------|--------------|--------------|------------------------|-------------------|-------------------|-------------------|---------------------------------------|----------------------------------------------------|
| | UNIT AREA* | AMENITY AREA | PARKING AREA | | | | | | |
| LEVEL 15 TO 23 (TOTAL 9 FLOORS) | | | | | | | | | |
| LEVEL 14 | | | | | | | | | |
| LEVEL 13 | | | | | | | | | |
| LEVEL 12 | | | | | | | | | |
| LEVEL 11 | | | | | | | | | |
| LEVEL 10 | | | | | | | | | |
| LEVEL 09 | | | | | | | | | |
| LEVEL 08 | | | | | | | | | |
| LEVEL 07 (FOURTH FLOOR) | | | | | 65,740 SF | | 65,740 SF | | |
| LEVEL 06 | | | | | | | | | |
| LEVEL 05 (THIRD FLOOR) | | | | | 74,687 SF | | 74,687 SF | | |
| LEVEL 04 | | | | | | | | | |
| LEVEL 03 (SECOND FLOOR) | | | | | 74,626 SF | | 74,626 SF | | |
| LEVEL 02 | | | | | | | | | |
| LEVEL 01 (FIRST FLOOR) | | | | | 66,947 SF | | 66,947 SF | | |
| TOTAL BLOCK AREA | | | | | 282,000 SF | | 282,000 SF | | |

NOTE* : UNIT AREA INCLUDES UNITS, CORES, CORRIDORS & LOBBIES.

BLOCK 8

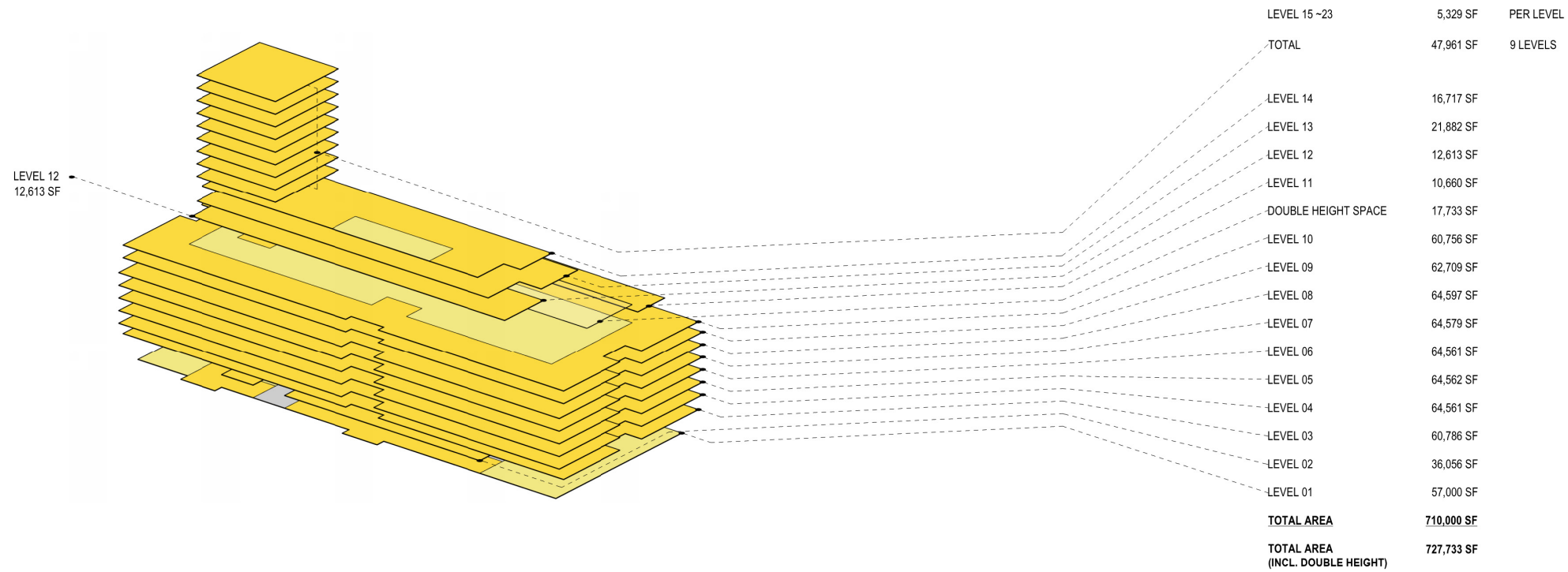


**AREA CALCULATION WITH
DOUBLE COUNTING EXTRA SPACES**

| BLOCK 8 | RESIDENTIAL | | | TOTAL RESIDENTIAL AREA | TOTAL OFFICE AREA | TOTAL RETAIL AREA | TOTAL FLOOR AREA | DOUBLE HEIGHT SPACES AREA CALCULATION | TOTAL FLOOR AREA (INCL. DOUBLE HEIGHT SPACES AREA) |
|---------------------------------|-------------|--------------|--------------|------------------------|-------------------|-------------------|-------------------|---------------------------------------|----------------------------------------------------|
| | UNIT AREA* | AMENITY AREA | PARKING AREA | | | | | | |
| LEVEL 15 TO 23 (TOTAL 9 FLOORS) | | | | | | | | | |
| LEVEL 14 | | | | | | | | | |
| LEVEL 13 | | | | | | | | | |
| LEVEL 12 | | | | | | | | | |
| LEVEL 11 | | | | | | | | | |
| LEVEL 10 | | | | | | | | | |
| LEVEL 09 | | | | | | | | | |
| LEVEL 08 | | | | | | | | | |
| LEVEL 07 (FOURTH FLOOR) | | | | | 56,493 SF | | 56,493 SF | | |
| LEVEL 06 | | | | | | | | | |
| LEVEL 05 (THIRD FLOOR) | | | | | 63,126 SF | | 63,126 SF | | |
| LEVEL 04 | | | | | | | | | |
| LEVEL 03 (SECOND FLOOR) | | | | | 64,602 SF | | 64,602 SF | | |
| LEVEL 02 | | | | | | | | | |
| LEVEL 01 (FIRST FLOOR) | | | | | 57,779 SF | | 57,779 SF | | |
| TOTAL BLOCK AREA | | | | | 242,000 SF | | 242,000 SF | | |

NOTE* : UNIT AREA INCLUDES UNITS, CORES, CORRIDORS & LOBBIES.

BLOCK 9

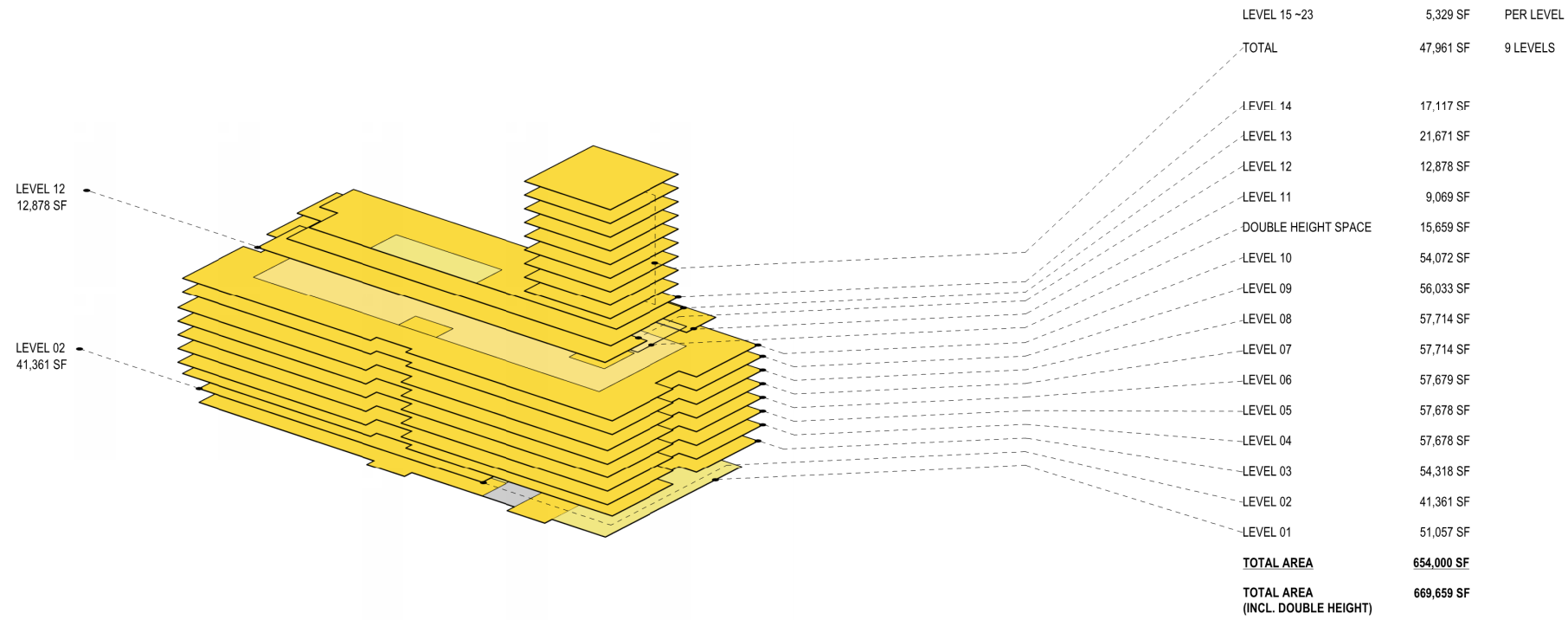


| BLOCK 9 | RESIDENTIAL | | | TOTAL RESIDENTIAL AREA | TOTAL OFFICE AREA | TOTAL RETAIL AREA | TOTAL FLOOR AREA | DOUBLE HEIGHT SPACES AREA CALCULATION | TOTAL FLOOR AREA (INCL. DOUBLE HEIGHT SPACES AREA) |
|---------------------------------|-------------------|------------------|-------------------|------------------------|-------------------|-------------------|-------------------|---------------------------------------|----------------------------------------------------|
| | UNIT AREA* | AMENITY AREA | PARKING AREA | | | | | | |
| LEVEL 15 TO 23 (TOTAL 9 FLOORS) | 47,961 SF | | | 47,961 SF | | | 47,961 SF | | 47,961 SF |
| LEVEL 14 | 14,242 SF | 2,475 SF | | 16,717 SF | | | 16,717 SF | | 16,717 SF |
| LEVEL 13 | 21,882 SF | | | 21,882 SF | | | 21,882 SF | | 21,882 SF |
| LEVEL 12 | 12,613 SF | | | 12,613 SF | | | 12,613 SF | | 12,613 SF |
| LEVEL 11 | 10,660 SF | | | 10,660 SF | | | 10,660 SF | | 10,660 SF |
| LEVEL 10 | 31,436 SF | 29,320 SF | | 60,756 SF | | | 60,756 SF | 17,733 SF | 78,489 SF |
| LEVEL 09 | 33,323 SF | 7,047 SF | 22,339 SF | 62,709 SF | | | 62,709 SF | | 62,709 SF |
| LEVEL 08 | 35,211 SF | 7,047 SF | 22,339 SF | 64,597 SF | | | 64,597 SF | | 64,597 SF |
| LEVEL 07 | 35,211 SF | 6,507 SF | 22,861 SF | 64,579 SF | | | 64,579 SF | | 64,579 SF |
| LEVEL 06 | 35,211 SF | 3,825 SF | 25,525 SF | 64,561 SF | | | 64,561 SF | | 64,561 SF |
| LEVEL 05 | 35,211 SF | 3,825 SF | 25,526 SF | 64,562 SF | | | 64,562 SF | | 64,562 SF |
| LEVEL 04 | 35,211 SF | 3,825 SF | 25,525 SF | 64,561 SF | | | 64,561 SF | | 64,561 SF |
| LEVEL 03 | 31,436 SF | 2,889 SF | 26,461 SF | 60,786 SF | | | 60,786 SF | | 60,786 SF |
| LEVEL 02 | 12,842 SF | 1,602 SF | 21,612 SF | 36,056 SF | | | 36,056 SF | | 36,056 SF |
| LEVEL 01 | 17,074 SF | 22,261 SF | 17,665 SF | 57,000 SF | | | 57,000 SF | | 57,000 SF |
| TOTAL BLOCK AREA | 409,524 SF | 90,623 SF | 209,853 SF | 710,000 SF | | | 710,000 SF | 17,733 SF | 727,733 SF |

AREA CALCULATION WITH DOUBLE COUNTING EXTRA SPACES

NOTE*: UNIT AREA INCLUDES UNITS, CORES, CORRIDORS & LOBBIES.

BLOCK 10

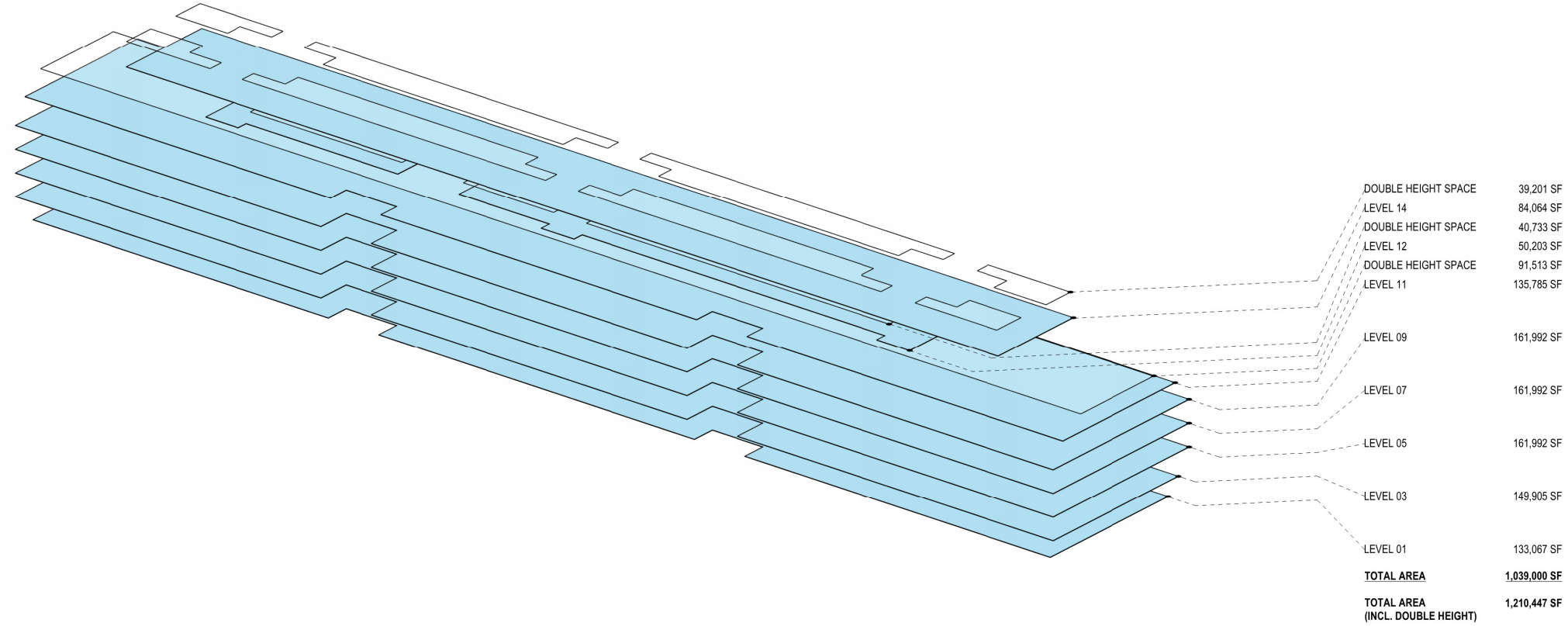


AREA CALCULATION WITH DOUBLE COUNTING EXTRA SPACES

| BLOCK 10 | RESIDENTIAL | | | TOTAL RESIDENTIAL AREA | TOTAL OFFICE AREA | TOTAL RETAIL AREA | TOTAL FLOOR AREA | DOUBLE HEIGHT SPACES AREA CALCULATION | TOTAL FLOOR AREA (INCL. DOUBLE HEIGHT SPACES AREA) |
|---------------------------------|-------------------|------------------|-------------------|------------------------|-------------------|-------------------|-------------------|---------------------------------------|----------------------------------------------------|
| | UNIT AREA* | AMENITY AREA | PARKING AREA | | | | | | |
| LEVEL 15 TO 23 (TOTAL 9 FLOORS) | 47,961 SF | | | 47,961 SF | | | 47,961 SF | | 47,961 SF |
| LEVEL 14 | 14,653 SF | 2,464 SF | | 17,117 SF | | | 17,117 SF | | 17,117 SF |
| LEVEL 13 | 21,671 SF | | | 21,671 SF | | | 21,671 SF | | 21,671 SF |
| LEVEL 12 | 12,878 SF | | | 12,878 SF | | | 12,878 SF | | 12,878 SF |
| LEVEL 11 | 9,069 SF | | | 9,069 SF | | | 9,069 SF | | 9,069 SF |
| LEVEL 10 | 28,828 SF | 25,244 SF | | 54,072 SF | | | 54,072 SF | 15,659 SF | 69,731 SF |
| LEVEL 09 | 30,507 SF | 6,819 SF | 18,707 SF | 56,033 SF | | | 56,033 SF | | 56,033 SF |
| LEVEL 08 | 32,188 SF | 6,819 SF | 18,707 SF | 57,714 SF | | | 57,714 SF | | 57,714 SF |
| LEVEL 07 | 32,188 SF | 6,819 SF | 18,707 SF | 57,714 SF | | | 57,714 SF | | 57,714 SF |
| LEVEL 06 | 32,188 SF | 5,179 SF | 20,312 SF | 57,679 SF | | | 57,679 SF | | 57,679 SF |
| LEVEL 05 | 32,188 SF | 4,140 SF | 21,350 SF | 57,678 SF | | | 57,678 SF | | 57,678 SF |
| LEVEL 04 | 32,188 SF | 4,140 SF | 21,350 SF | 57,678 SF | | | 57,678 SF | | 57,678 SF |
| LEVEL 03 | 28,828 SF | 4,140 SF | 21,350 SF | 54,318 SF | | | 54,318 SF | | 54,318 SF |
| LEVEL 02 | 18,039 SF | 3,289 SF | 20,033 SF | 41,361 SF | | | 41,361 SF | | 41,361 SF |
| LEVEL 01 | 20,534 SF | 11,138 SF | 19,385 SF | 51,057 SF | | | 51,057 SF | | 51,057 SF |
| TOTAL BLOCK AREA | 393,908 SF | 80,191 SF | 179,901 SF | 654,000 SF | | | 654,000 SF | 15,659 SF | 669,659 SF |

NOTE* : UNIT AREA INCLUDES UNITS, CORES, CORRIDORS & LOBBIES.

BLOCK 11



AREA CALCULATION WITH DOUBLE COUNTING EXTRA SPACES

| BLOCK 11 | RESIDENTIAL | | | TOTAL RESIDENTIAL AREA | TOTAL OFFICE AREA | TOTAL RETAIL AREA | TOTAL FLOOR AREA | DOUBLE HEIGHT SPACES AREA CALCULATION | TOTAL FLOOR AREA (INCL. DOUBLE HEIGHT SPACES AREA) |
|---------------------------------|-------------|--------------|--------------|------------------------|-------------------|-------------------|------------------|---------------------------------------|----------------------------------------------------|
| | UNIT AREA* | AMENITY AREA | PARKING AREA | | | | | | |
| LEVEL 15 TO 23 (TOTAL 9 FLOORS) | | | | | | | | | |
| LEVEL 14 (EIGHTH FLOOR) | | | | | 84,064 SF | | 84,064 SF | 39,201 SF | 123,265 SF |
| LEVEL 13 | | | | | | | | | |
| LEVEL 12 (SEVENTH FLOOR) | | | | | 50,203 SF | | 50,203 SF | 40,733 SF | 90,936 SF |
| LEVEL 11 (SIXTH FLOOR) | | | | | 135,785 SF | | 135,785 SF | 91,513 SF | 227,298 SF |
| LEVEL 10 | | | | | | | | | |
| LEVEL 09 (FIFTH FLOOR) | | | | | 161,992 SF | | 161,992 SF | | 161,992 SF |
| LEVEL 08 | | | | | | | | | |
| LEVEL 07 (FOURTH FLOOR) | | | | | 161,992 SF | | 161,992 SF | | 161,992 SF |
| LEVEL 06 | | | | | | | | | |
| LEVEL 05 (THIRD FLOOR) | | | | | 161,992 SF | | 161,992 SF | | 161,992 SF |
| LEVEL 04 | | | | | | | | | |
| LEVEL 03 (SECOND FLOOR) | | | | | 149,905 SF | | 149,905 SF | | 149,905 SF |
| LEVEL 02 | | | | | | | | | |
| LEVEL 01 (FIRST FLOOR) | | | | | 133,067 SF | | 133,067 SF | | 133,067 SF |
| TOTAL BLOCK AREA | | | | | 1,039,000 SF | | 1,039,000 SF | 171,447 SF | 1,210,447 SF |

NOTE* : UNIT AREA INCLUDES UNITS, CORES, CORRIDORS & LOBBIES.

**Exhibit B: Analysis of Cost Reductions
Associated with Reduced Retail**

**Exhibit B: Analysis of Cost Reductions
Associated with Reduced Retail**



To: Valco Property Owner, LLC
Attn: Reed Moulds, Managing Director
From: The Concord Group
Date: June 1st, 2018
Re: Analysis of Cost Reductions Associated with Reduced Retail in Valco Town Center Project

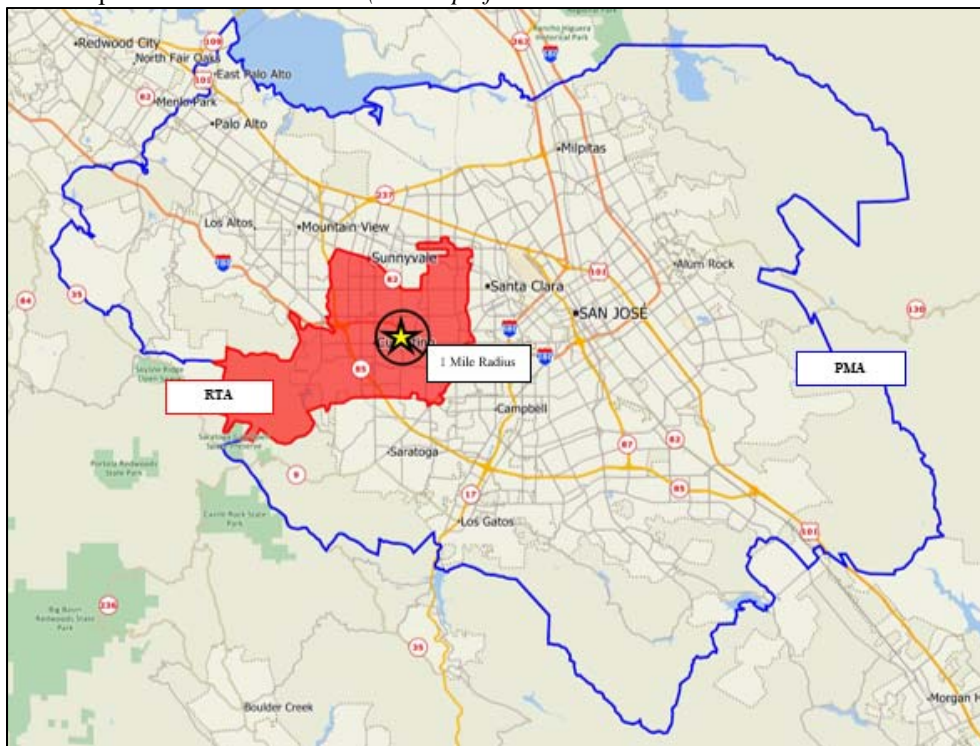
Valco Property Owner, LLC (“VPO”) is pursuing the redevelopment of the Valco Shopping Center in Cupertino, California (the “Site”) and on March 27th of this year submitted a mixed-use project known as “Valco Town Center”. As part of that application, VPO has requested a “concession” under the State Density Bonus Law to allow the project to include 400,000 square feet of retail, rather than the normally required amount of 600,000 square feet. In order to qualify under the law, a concession must result in identifiable and actual cost reductions. The purposes of this report is to document the cost reductions that will be achieved by building 400,000 square feet of retail instead of 600,000 square feet. Our analysis was focused on:

1. Identifying the ideal, market-driven scale of retail development on the site, and;
2. Comparing key metrics regarding costs, feasibility and market risks/opportunities of the 400,000 square feet of retail included in the Valco Town Center plan versus the 600,000 square feet of retail specified in the General Plan for the Site.

The following memorandum and technical appendix exhibits attached outline The Concord Group’s (“TCG”) findings and conclusions:

Market Feasibility Analysis, Depth of Demand and the Changing Nature of Retail

- *Market Areas:* For all retail product, the Retail Trade Area (“RTA”), represents the geographic source of competitive supply. For the subject property, the RTA is defined as zip codes effectively covering the City of Cupertino, parts of Sunnyvale and parts of Santa Clara. While market activity in the Primary Market Area (“PMA”), especially at key retail centers such as Westfield’s Valley Fair and Stanford Shopping Center, will influence retail demand at the Site, future potential retail tenants at the Site can expect to compete directly with other retail product within the RTA. (See map of the RTA and PMA below and in Exhibits 1 and 2)



- *Retail Market Performance*: The RTA is currently home to 223,280 people, 12MM square feet of retail space, and more than \$4 Billion of annual retail sales.
 - With ongoing strong job growth in the region, the RTA is expected to add more than 2,000 people each year through 2023
 - As a high-affluence area proximate to the cities of San Francisco and San Jose and their dynamic retail offerings, the RTA currently sees leakage of retail expenditures. Although \$6B of retail spending is done by households within the RTA, only \$4B is spent in the area. The largest leakage comes from large-format big-box or ecommerce sales categories that have been concentrated and pushed out of the RTA given the reorganization of consumer behaviors and preferences over the past several decades.
 - The RTA has seen *net* absorption of only 76,000 square feet over the past year and *negative net* absorption for seven out of the past ten years, again a symptom of retail reorganization, consolidation and ecommerce impacting the landscape.
 - At current, vacancies in the RTA sit at 12.5%, significantly higher than the 4.3% across the PMA as a whole.
 - Retail rents have grown slowly over the past decade, hitting increases of 2.1% per year.
 - See Exhibits 2 & 3 for more detail.
- *Changing Nature of Retail*: Ecommerce has created seismic shift in the retail industry. According to the Census Bureau and the US Department of Commerce, the share of all retail spending conducted online has grown from 4.1% in 2010 to 10.0% this year with further growth to 17.1% projected through 2023. In real terms, this represents a cumulative *drop* of retail space demanded by the marketplace as sales (and resulting inventories, fulfillment, etc.) move increasingly online.
 - ***Despite a growing population, the impact of this further ecommerce growth will mean a negative demand of 390,000 square feet of retail through 2023. See Exhibit 4 for more detail.***
 - Ecommerce, consolidation and eroding demand for traditional malls, shopping centers and key tenants have impacted a wide variety of retail spending categories. The result is a small list of *protected* retail spending classes/categories that offer experiential, immediate or entertainment opportunities suitable for inclusion in a 21st century retail project, most notably Food and Beverage, Health/Personal Care/Wellness/Fitness. Interestingly, these – and related – categories make up 72% of all retail spending in the region. ***These categories constitute the Site’s true target retail tenant types and shall be referred to in this report as “Key Categories”; project sizing decisions should ultimately be made based on the extent of demand from the Key Categories.***
- *Developer Reactions, Mixed Use Communities and Real World Examples*: As the built environment adjusts to the new retail reality, developers are reacting to stay ahead of the trends and build for the new world. There are clear examples in the SF Bay Area alone.
 - Not far from the Site, a large developer is pursuing the development of a large mixed use master planned community. Originally contemplating 1.1MM square feet of retail anchored by high-end department stores amongst significant office, hotel and residential space, the developer is currently reworking the retail plan to focus on Food and Beverage/Entertainment Uses and reducing the overall retail footprint by as much as 20%.
 - Macerich has recently exited the JV Agreement on Candlestick Point redevelopment. Originally planned for 635,000 square feet of large format retail, in a JV between Fivepoint and Macerich, the mall development will no longer move forward due to concerns about the macro-economic retail environment.
 - See Exhibit 5 for more detail.
- *Retail Demand Forecast*: TCG has conducted a demand/opportunity analysis for new retail in the RTA over the next 5 years, a reasonable time frame for the buildout of 100% of the retail component of the Vallco Town Center project. Demand is made up of two component parts:
 - “Clawback” of retail spending categories currently leaking to other jurisdictions given lack of contemporary product, key tenants, or 24-hour environments.
 - This analysis yields a cumulative demand for 309,000 square feet over the next five years, of which 203,000 square feet is in the Key Categories.
 - See Exhibit 8, Page 1
 - Demand resulting from new household and population growth. New people bring new spending and demand for new retail space.

- This analysis yields a cumulative demand for 320,000 square feet of retail through 2022 and 208,000 square feet in the Key Categories.
 - See Exhibit 8, Page 2
 - **All told, TCG forecasts the total demand throughout the entire RTA for the next 5 years to be 629,000 square feet of all retail types and 411,000 square feet in Key Categories.**
- **Retail Demand Capture:** Given the narrowing of likely tenant types and the surge in online spending, on the tenant side competition is and will continue to be fierce for sales in the Key Categories. Furthermore, on the landlord side, the Site will be competing with other retail developments in the RTA for this total retail and Key Category forecasted demand. Given all of this – and the real pipeline that will compete for customers across the region using similar concepts and anchors – **it is unreasonable to assume the subject property could capture 95-100% of the 629,000 square feet net new demand in the RTA for each of the next 5 years.**
- **Recommended Retail Footprint:** **TCG believes it is appropriate to assume the Site will capture between 60% and 65% of the total retail demand in the RTA over the next 5 years. Given the above factors, TCG believes the Site can absorb ±400,000 square feet of retail (approximately 63% total forecasted retail demand) during its development period and recommends no more than 400,000 square feet as the project’s retail footprint.**

Cost Reduction, 400,000 sq. ft. vs. 600,000 sq. ft.

- In simple terms, building less retail space in the project would significantly reduce the project’s overall costs. Construction costs for retail components within dense mixed-use residential/office over retail projects with parking currently reach upwards of \$800 per square foot *excluding land* (as recently attested to by the City of Cupertino’s economic consultant, Economic & Planning Systems, Inc.).
 - **Using a conservative \$770 per gross square foot cost, a reduction of 200,000 square feet of retail would generate a primary cost reduction of \$154,000,000.**
- However, because a 600,000 square foot retail project would exceed the projected retail demand for the Site, adjustments must be made to economic assumptions for the difficult-to-lease 200,000 retail square feet surplus. VPO would in this case have two options:
 - (1) Allow the surplus 200,000 square feet of retail to remain vacant beyond the initial 5-year development period, either until a tenant is procured or, potentially, permanently. Both scenarios would result in extraordinarily high carry costs and/or operating losses for the Project;
 - (2) Incentivize lease-up of the surplus 200,000 retail square feet (in order to avoid the significant down-time described above) by agreeing to:
 - Fund above-market cash contributions toward a tenant’s improvement of the space
 - Deliver retail spaces in “turn-key” condition, relieving the tenant from having to pay for such improvements, which are typically tenant costs
 - Pay extraordinarily large leasing commissions to brokers who procure retail tenants
 - Discount the project’s rental rates beneath typical market rates in order to attract tenants

Both options (1) and (2) to contend with the surplus 200,000 square feet of retail would result in (i) extraordinarily high “carry” costs and operating losses and (ii) extraordinarily high lease transaction and construction costs.

Assuming the typical soft cost per square foot of the retail component in a typical mixed-use project is approximately \$150, TCG estimates the soft costs for the incremental 200,000 square feet of surplus retail would be at least double the typical cost, or \$300 per square foot, and that such incremental costs would be 100% unrecoverable, which is to say they will not be recovered nor will they generate any return on investment, a pure loss. As such, the 400,000 square feet retail project will result in an incremental cost reduction of approximately \$60,000,000 in soft costs.

Without the incremental \$60,000,000 reduction in soft costs directly resulting from the reduction in retail area from 600,000 to 400,000 square feet, the Vallico Town Center project would be infeasible.

* * * *

This assignment was completed by Chase Eskel and Taylor Henry under the direction of Tim Cornwell. We have enjoyed working with you on this assignment and look forward to our continued involvement with your team. If you have any questions, please do not hesitate to call.



LIST OF EXHIBITS

RETAIL OPPORTUNITY ANALYSIS

1. Retail Regional Location
2. Retail Submarket Performance
3. Retail Macroeconomic Trends
4. Changing Nature of Retail Space
5. Changing and Retooling of Space
6. Consumer Spending Capacity
7. Retail Opportunity Gaps
8. Retail Demand
9. Selected Competitive Retail Inventory Space

EXHIBIT I-1

REGIONAL LOCATION AND SUBMARKET DELINEATION
RETAIL TRADE AREA
JUNE 2018

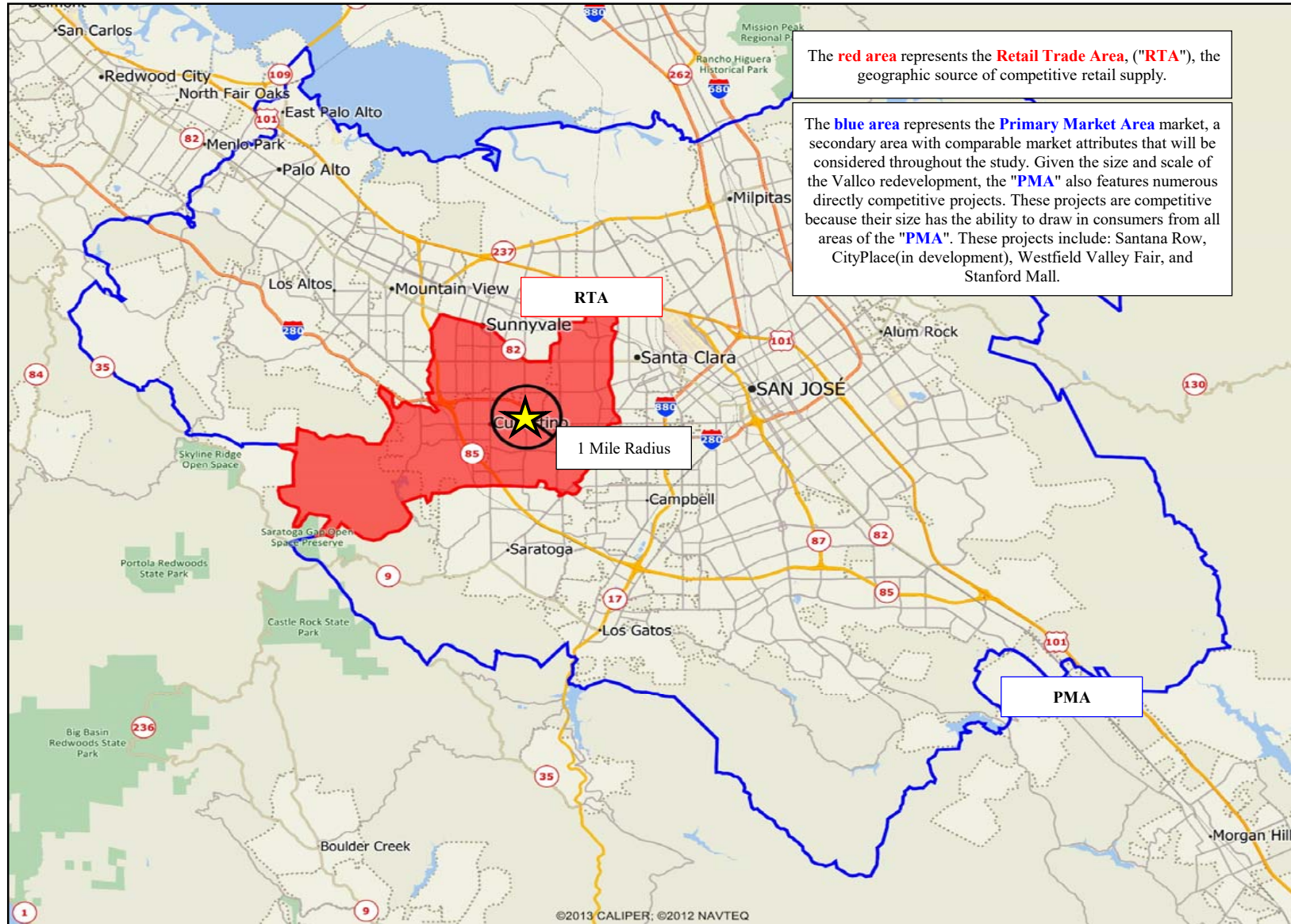


EXHIBIT I-1

REGIONAL LOCATION AND SUBMARKET DELINEATION
RETAIL TRADE AREA
JUNE 2018

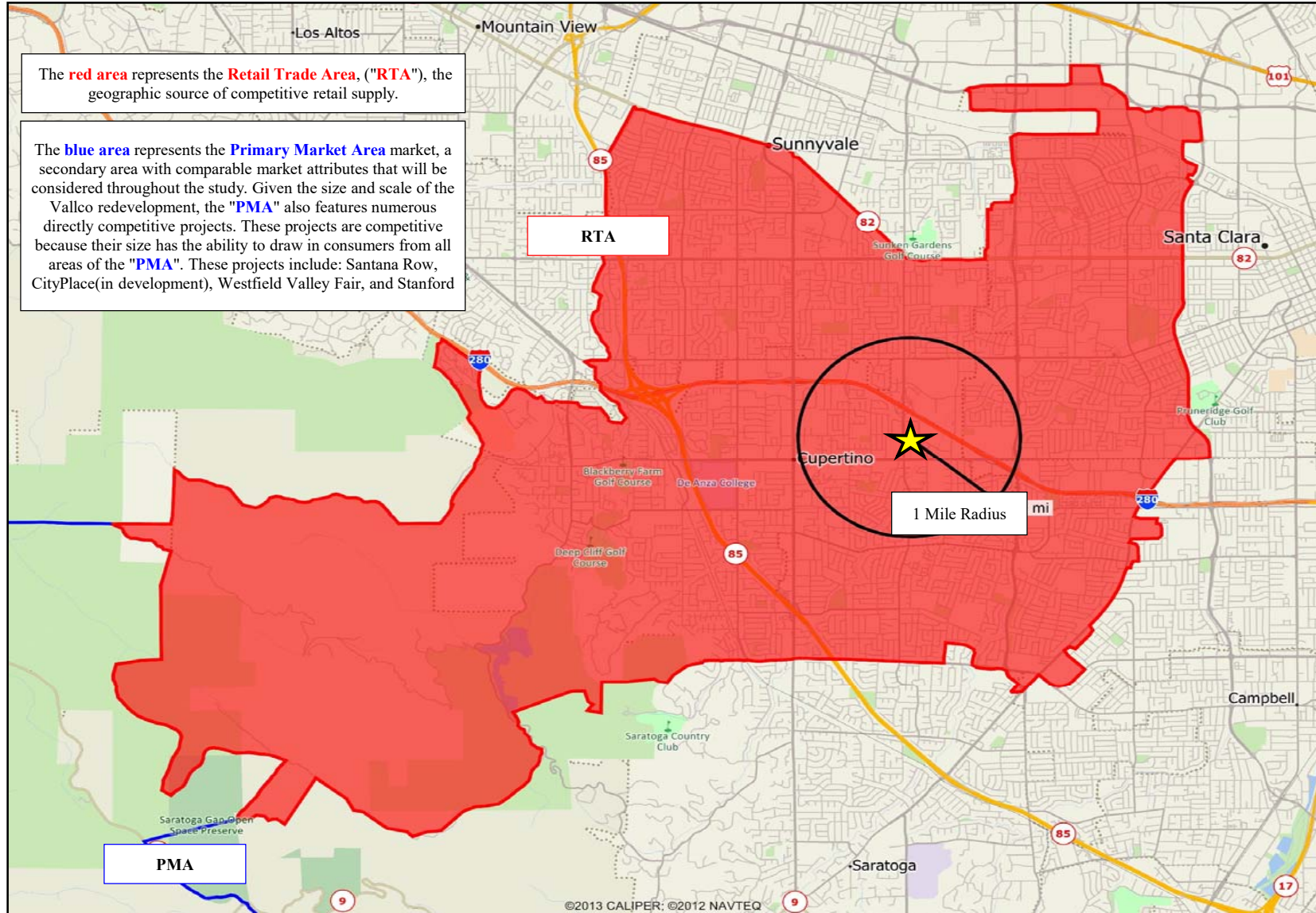


EXHIBIT I-2

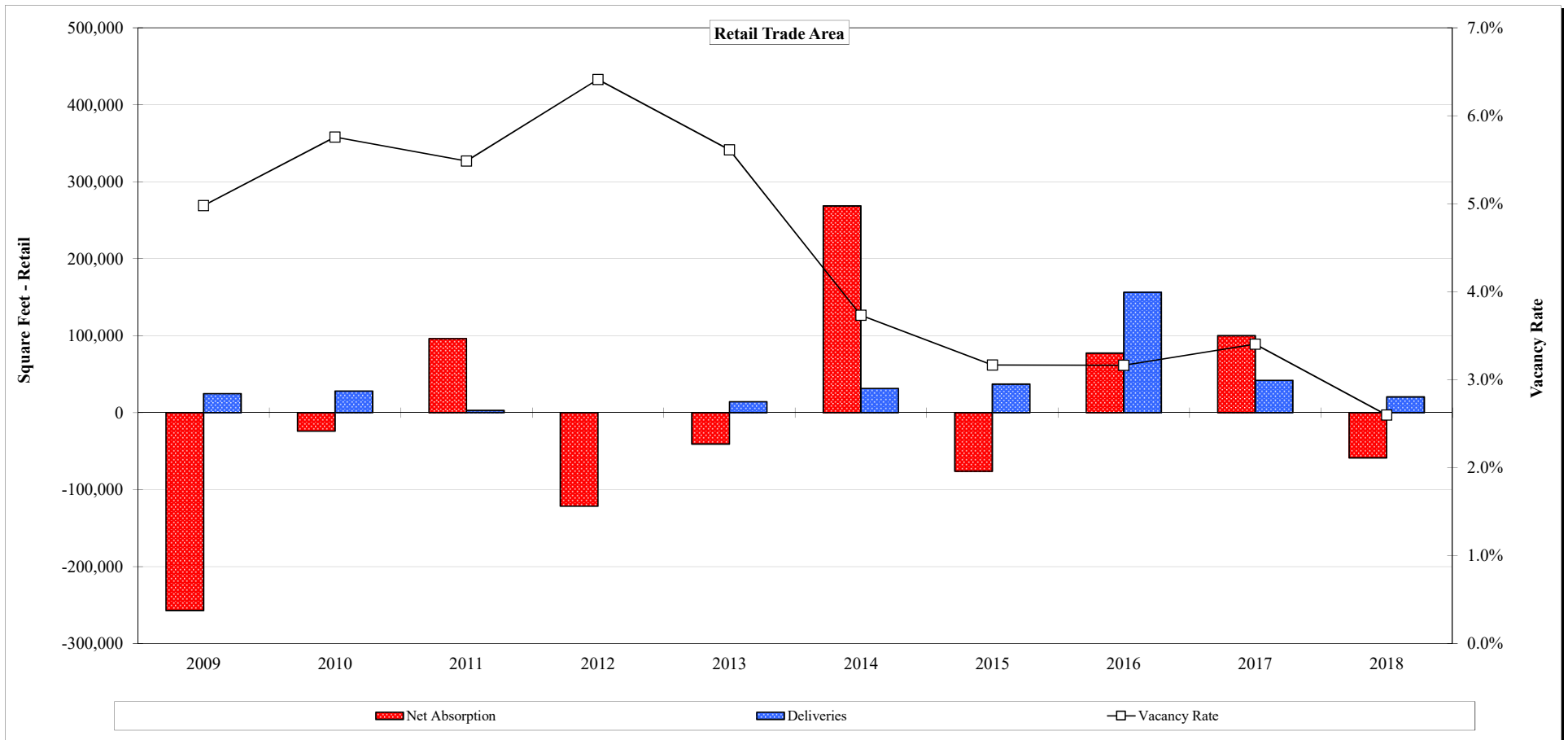
RETAIL SUBMARKET PERFORMANCE
PRIMARY MARKET AREA
JUNE 2018

| Geography | 1-Mile | Retail Trade Area | PMA |
|-----------------------------------------|-------------|-------------------|--------------|
| General Information | | | |
| Population ('18) | 24,058 | 223,280 | 1,855,647 |
| Households ('18) | 8,468 | 80,765 | 634,221 |
| % PMA | 1.3% | 12.7% | 100.0% |
| Ann. Growth (#, '18-'23) | 99 | 745 | 6,556 |
| % PMA | 1.5% | 11.4% | 100.0% |
| Over \$100K HH Growth | 150 | 1,264 | 10,189 |
| Under \$100K HH Growth | (51) | (518) | (3,633) |
| Ann. Growth (% , '18-'23) | 1.1% | 0.9% | 1.0% |
| Household Size ('18) | 2.84 | 2.76 | 2.93 |
| Consumer Spending Patterns ('18) | | | |
| Consumer Expenditures (\$000) | \$662,491 | \$6,025,190 | \$42,440,532 |
| Per Capita | \$27,537 | \$26,985 | \$22,871 |
| Retail Sales (\$000) | \$494,451 | \$4,019,980 | \$54,221,288 |
| Per Occupied Square Foot | \$508 | \$379 | \$783 |
| Spending Inflow/ (Leakage) | (\$168,041) | (\$2,005,210) | \$11,780,756 |
| Retail Market Performance (1Q18) | | | |
| Rentable Building Area (SF) | 999,716 | 10,893,935 | 72,082,254 |
| Annual Deliveries (SF) | | | |
| Last Four Quarters | 0 | 38,500 | 752,461 |
| Five-Year Average | 32,689 | 60,344 | 587,743 |
| Ten-Year Average | 19,300 | 39,001 | 496,645 |
| Annual Net Absorption (SF) | | | |
| Last Four Quarters | 29,573 | 71,123 | 924,290 |
| Five-Year Average | 32,558 | 55,876 | 398,829 |
| Ten-Year Average | 15,430 | (10,954) | 81,054 |
| Vacancy Rate (Available Vacant SF) | 2.59% | 2.60% | 3.88% |
| Vacant Stock (SF) | 25,881 | 283,154 | 2,798,262 |
| Asking Rent (NNN) | \$49.10 | \$36.18 | \$35.28 |
| Rent Growth | | | |
| Last Four Quarters | (25.5%) | 2.0% | 7.2% |
| Five-Year Average | 6.2% | 2.8% | 4.3% |
| Ten-Year Average | 1.9% | 2.1% | 1.2% |

Source: Claritas; US Census; CoStar

EXHIBIT 3
RETAIL INVENTORY PERFORMANCE
RETAIL TRADE AREA
2009 THROUGH Q8 2018

| Market Factor | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <i>Retail Trade Area</i> | | | | | | | | | | |
| Rental Building Area | 10,723,524 | 10,738,209 | 10,753,115 | 10,750,817 | 10,746,647 | 10,767,143 | 10,794,613 | 10,839,771 | 10,865,685 | 10,893,935 |
| Net Absorption | (257,050) | (24,076) | 96,161 | (121,549) | (40,808) | 268,632 | (76,150) | 77,427 | 100,092 | (58,662) |
| Deliveries | 24,693 | 28,203 | 2,855 | 0 | 14,200 | 31,532 | 37,090 | 156,398 | 42,000 | 20,500 |
| Total Vacancy Rate | 5.0% | 5.8% | 5.5% | 6.4% | 5.6% | 3.7% | 3.2% | 3.2% | 3.4% | 2.60% |
| Vacant SF | 534,131 | 618,431 | 589,963 | 689,545 | 603,137 | 401,821 | 342,023 | 343,045 | 369,901 | 283,154 |



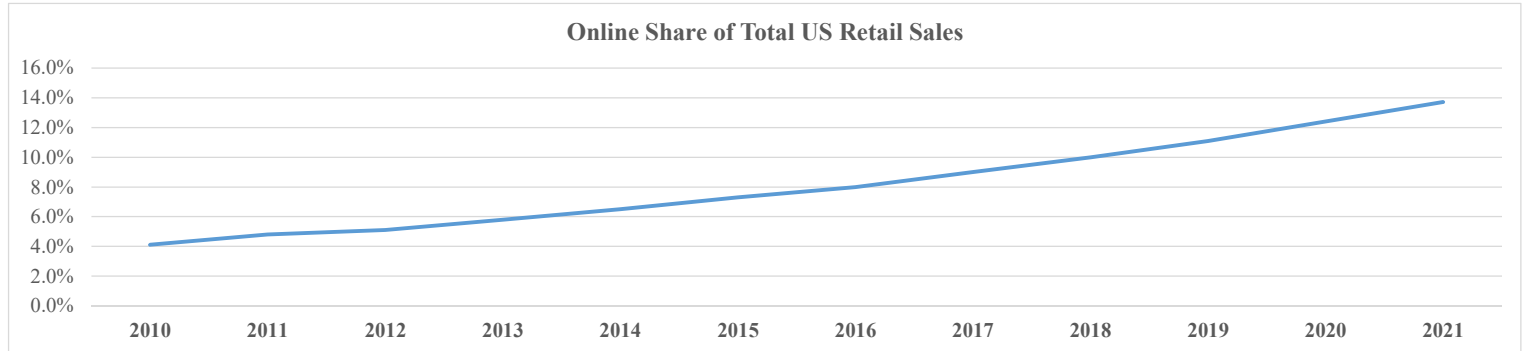
Source: CoStar

EXHIBIT 4

CHANGING NATURE OF RETAIL AND IMPACT ON LOCAL RETAIL NEED
 RETAIL TRADE AREA
 2010 THROUGH 2021

I. Online Share of Total Retail Spending

| Year | Share | Growth |
|---------------------------|-------|--------------|
| 2010 | 4.1% | |
| 2011 | 4.8% | 17.1% |
| 2012 | 5.1% | 6.2% |
| 2013 | 5.8% | 13.7% |
| 2014 | 6.5% | 12.1% |
| 2015 | 7.3% | 12.3% |
| 2016 | 8.0% | 9.6% |
| 2017 | 9.0% | 12.5% |
| 2018 | 10.0% | 11.1% |
| 2019 | 11.1% | 11.0% |
| 2020 | 12.4% | 11.7% |
| 2021 | 13.7% | 10.5% |
| Average YoY Growth | | 11.6% |



Source: US Census & US Dept of Commerce

II. Square Footage Impact of Annual Change

Assumptions and Inputs

| | |
|------------------------------------------------|-----------------|
| New Population per Year | 2,066 |
| Trade Area Retail Spending per Person per Year | \$17,056 |
| Total Retail Spending by Trade Area Consumers | \$3,808,209,492 |
| Total Retail Space in Trade Area | 12,172,957 |
| Retail Spending per Square Foot | \$312.84 |

Sources

| |
|----------------------------|
| Nielsen/Claritas/US Census |
| Nielsen/Claritas/US Census |
| Nielsen/Claritas/US Census |
| Costar |
| Calculated |

| | 2019 | 2020 | 2021 | 2022 | 2023 | 5 Yr |
|----------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|
| Population Added | 2,066 | 2,066 | 2,066 | 2,066 | 2,066 | 10,330 |
| x Retail Spending per Capita | \$17,056 | \$17,056 | \$17,056 | \$17,056 | \$17,056 | \$17,056 |
| = Total Retail Spending Added | \$35,237,696 | \$35,237,696 | \$35,237,696 | \$35,237,696 | \$35,237,696 | \$176,188,480 |
| Total Retail Spending (\$MM) | \$3,843 | \$3,879 | \$3,914 | \$3,949 | \$3,984 | \$19,570 |
| Online Share of Retail Spending | 11.1% | 12.4% | 13.7% | 15.3% | 17.1% | 13.9% |
| Online Spending (\$MM) | \$427 | \$481 | \$536 | \$604 | \$680 | \$2,728 |
| Incremental Online Spending | \$45,801,689 | \$54,334,288 | \$55,250,468 | \$67,696,345 | \$76,188,877 | \$299,271,666 |
| Resulting Brick & Mortar Spending | (\$10,563,993) | (\$19,096,592) | (\$20,012,772) | (\$32,458,649) | (\$40,951,181) | (\$123,083,186) |
| Resulting SqFt Impact | (33,768) | (61,042) | (63,971) | (103,754) | (130,901) | (393,436) |

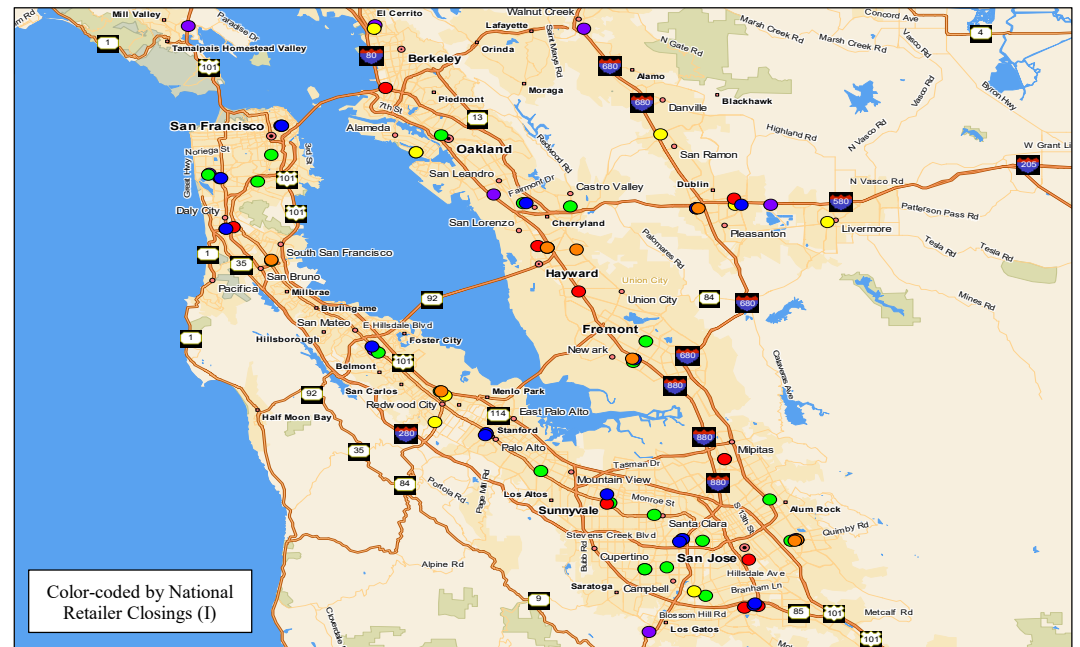
EXHIBIT 5

CLOSINGS AND RETOOLING OF RETAIL PLANS
SAN FRANCISCO BAY AREA, CALIFORNIA
JUNE 2018

I. Major Retail Anchor Closings

| Retailers | National Closings | | Total |
|-------------------------|-------------------|--------------|--------------|
| | 2017 | 2018 | |
| ▪ Radioshack | 1470 | -- | 1,470 |
| ▪ Toys'R'Us | -- | 735 | 735 |
| ▪ Payless | 700 | -- | 700 |
| ▪ Sears/Kmart | 358 | 166 | 524 |
| ▪ Gymboree | 330 | 102 | 432 |
| ▪ Macy's | 100 | 11 | 111 |
| ▪ Walgreen's Rite Aid | -- | 600 | 600 |
| ▪ Ann Taylor/Dress Barn | 70 | 500 | 570 |
| ▪ Rue21 | 400 | -- | 400 |
| ▪ Gap Inc. | 70 | 200 | 270 |
| ▪ The Limited | 250 | -- | 250 |
| ▪ Best Buy | 250 | -- | 250 |
| ▪ Mattress Firm | -- | 200 | 200 |
| ▪ J.C. Penney | 138 | -- | 138 |
| | 4,136 | 2,514 | 6,650 |

II. Map of Retailers at Risk



III. Changing Large Scale Development Plans

- Westfield Valley Fair Mall is currently undergoing a \$1.1 billion expansion project adding 685k sf to the existing 1.5M sf. The expansion is said to focus specifically on adding more F&B and on upscale distinct retailers that pull customers from a wider radius. Already underway, this project will draw in customers who otherwise wouldn't have traveled to the mall. This strategy targets consumers in our "Key Categories" which will compete directly with the Vallecito redevelopment.
- Lennar's Candlestick Point development has suspended development amid rising concerns in the retail market. Macerich and Lennar partnered on the development of a 635k sf mall in the master-planned community in San Francisco. Macerich is now leaving the mall joint venture over concerns of the retail market. Macerich has also been selling off some of their retail assets as the market has struggled, indicating macroeconomic weakness on large-scale retail formats.



EXHIBIT 6

**CONSUMER SPENDING CAPACITY
RETAIL TRADE AREA
JUNE 2018**

| | | <u>2018 Population</u> | | | | |
|---------------------------------------------------------------------------------|--------------------------|------------------------|-----------------------------------|-----------------|---------------|--------------|
| | | PMA | 1,855,647 | | | |
| | | Retail Trade Area | 223,280 | | | |
| | | 1-Mile Radius | 24,058 | | | |
| <u>Spending Category</u> | <u>Target Market</u> | | <u>Consumer Spending Capacity</u> | | | |
| | <u>Radius</u> | <u>Pop.</u> | <u>Total</u> | <u>Per Cap.</u> | <u>Share</u> | |
| GAFO (1) | | | | | | |
| Department Stores | Retail Trade Area | 223,280 | \$188,426,415 | \$844 | 4.9% | |
| Furniture | Retail Trade Area | 223,280 | \$134,636,183 | \$603 | 3.5% | |
| Sporting Goods/Hobby | Retail Trade Area | 223,280 | \$91,035,366 | \$408 | 2.4% | |
| Books & Music | Retail Trade Area | 223,280 | \$21,204,309 | \$95 | 0.6% | |
| Office Supplies, Gift Stores | Retail Trade Area | 223,280 | \$35,560,260 | \$159 | 0.9% | |
| Electronics/Appliances | Retail Trade Area | 223,280 | \$120,290,505 | \$539 | 3.2% | |
| Clothing & Accessories | Retail Trade Area | 223,280 | \$358,688,040 | \$1,606 | 9.4% | 9.4% |
| Other General Merchandise | Retail Trade Area | 223,280 | \$527,471,281 | \$2,362 | 13.9% | 13.9% |
| GAFO Total | Retail Trade Area | 223,280 | \$1,477,312,359 | \$6,616 | 38.8% | |
| Non-GAFO | | | | | | |
| Eating & Drinking Places | Retail Trade Area | 223,280 | \$833,202,953 | \$3,732 | 21.9% | 21.9% |
| Misc. Stores | Retail Trade Area | 223,280 | \$92,887,134 | \$416 | 2.4% | |
| Health & Personal Care | Retail Trade Area | 223,280 | \$302,092,003 | \$1,353 | 7.9% | 7.9% |
| Building/Garden Materials | Retail Trade Area | 223,280 | \$385,030,957 | \$1,724 | 10.1% | |
| Food & Beverage | Retail Trade Area | 223,280 | \$717,684,086 | \$3,214 | 18.8% | 18.8% |
| Non-GAFO Total | Retail Trade Area | 223,280 | \$2,330,897,133 | \$10,439 | 61.2% | |
| Total Excluding Vehicle/Gas/Non-Store Key Categories (New Format Retail) | Retail Trade Area | 223,280 | \$3,808,209,492 | \$17,056 | 100.0% | 71.9% |
| Motor Vehicle/Gas/Non-Store | | | | | | |
| Motor Vehicle | Retail Trade Area | 223,280 | \$1,117,864,280 | \$5,007 | | |
| Gas Stations | Retail Trade Area | 223,280 | \$387,891,494 | \$1,737 | | |
| Other Non-Store Retailers | Retail Trade Area | 223,280 | \$711,224,924 | \$3,185 | | |
| Motor Vehicle/Gas/Non-Store Total | Retail Trade Area | 223,280 | \$2,216,980,698 | \$9,929 | | |
| Total | Retail Trade Area | 223,280 | \$6,025,190,190 | \$26,985 | | |

Source: Claritas; TCG

(1) GAFO = General Merchandise, Apparel, Furniture, and Other

EXHIBIT 7

RETAIL OPPORTUNITY GAPS
RETAIL TRADE AREA
JUNE 2018

| Spending Category | 2018 Population | | Consumer Spending | | | |
|-----------------------------------------------------------------|--------------------------|-------------------|------------------------|------------------------|------------------------|--------------|
| | Radius | Pop. | Consumer Demand | Actual Sales | Retail Opportunity Gap | |
| | | | | | \$ | % |
| | | PMA | 1,855,647 | | | |
| | | Retail Trade Area | 223,280 | | | |
| | | 1-Mile Radius | 24,058 | | | |
| GAFO (1) | | | | | | |
| Department Stores | Retail Trade Area | 223,280 | \$188,426,415 | \$83,539,406 | \$104,887,009 | 55.7% |
| Furniture | Retail Trade Area | 223,280 | \$134,636,183 | \$30,807,637 | \$103,828,546 | 77.1% |
| Sporting Goods/Hobby | Retail Trade Area | 223,280 | \$91,035,366 | \$31,565,669 | \$59,469,697 | 65.3% |
| Books & Music | Retail Trade Area | 223,280 | \$21,204,309 | \$12,603,262 | \$8,601,047 | 40.6% |
| Office Supplies, Gift Stores | Retail Trade Area | 223,280 | \$35,560,260 | \$7,093,763 | \$28,466,497 | 80.1% |
| Electronics/Appliances | Retail Trade Area | 223,280 | \$120,290,505 | \$228,267,785 | (\$107,977,280) | (89.8%) |
| Clothing & Accessories | Retail Trade Area | 223,280 | \$358,688,040 | \$81,567,142 | \$277,120,898 | 77.3% |
| Other General Merchandise | Retail Trade Area | 223,280 | \$527,471,281 | \$67,063,241 | \$460,408,040 | 87.3% |
| GAFO Total | Retail Trade Area | 223,280 | \$1,477,312,359 | \$542,507,905 | \$934,804,454 | 63.3% |
| Non-GAFO | | | | | | |
| Eating & Drinking Places | Retail Trade Area | 223,280 | \$833,202,953 | \$602,732,216 | \$230,470,737 | 27.7% |
| Misc. Stores | Retail Trade Area | 223,280 | \$92,887,134 | \$19,559,348 | \$73,327,786 | 78.9% |
| Health & Personal Care | Retail Trade Area | 223,280 | \$302,092,003 | \$152,229,820 | \$149,862,183 | 49.6% |
| Building/Garden Materials | Retail Trade Area | 223,280 | \$385,030,957 | \$135,582,463 | \$249,448,494 | 64.8% |
| Food & Beverage | Retail Trade Area | 223,280 | \$717,684,086 | \$488,153,882 | \$229,530,204 | 32.0% |
| Non-GAFO Total | Retail Trade Area | 223,280 | \$2,330,897,133 | \$1,398,257,729 | \$932,639,404 | 40.0% |
| Total Excluding Vehicle/Gas/Non-Store Outflow Categories | Retail Trade Area | 223,280 | \$3,808,209,492 | \$1,940,765,634 | \$1,867,443,858 | 49.0% |
| | | | \$3,687,918,987 | \$1,712,497,849 | \$1,975,421,138 | 53.6% |
| Motor Vehicle/Gas/Non-Store | | | | | | |
| Motor Vehicle | Retail Trade Area | 223,280 | \$1,117,864,280 | \$1,574,453,637 | (\$456,589,357) | (40.8%) |
| Gas Stations | Retail Trade Area | 223,280 | \$387,891,494 | \$173,202,195 | \$214,689,299 | 55.3% |
| Other Non-Store Retailers | Retail Trade Area | 223,280 | \$711,224,924 | \$331,558,607 | \$379,666,317 | 53.4% |
| Motor Vehicle/Gas/Non-Store Total | Retail Trade Area | 223,280 | \$2,216,980,698 | \$2,079,214,439 | \$137,766,259 | 6.2% |
| Total | Retail Trade Area | 223,280 | \$6,025,190,190 | \$4,019,980,073 | \$2,005,210,117 | 33.3% |

Source: Claritas; TCG

(1) GAFO = General Merchandise, Apparel, Furniture, and Other

EXHIBIT 8

ESTIMATED RETAIL DEMAND
RETAIL TRADE AREA
2018 THROUGH 2023

I. Consumer Spending Opportunity Gap Demand Potential

| Spending Category | Consumer Spending | | | Expected Sales Per SF (2) | Current Retail Gap | Unfulfilled Retail Space @ \$550/SF | Future Potential | | |
|-------------------------------------------|------------------------|------------------------|---------------|---------------------------|------------------------|-------------------------------------|----------------------|----------------|----------------|
| | Consumer Demand | Actual Sales | Sales/ Demand | | | | Capture | New SF | |
| GAFO (1) | | | | | | | | | |
| Department Stores | \$188,426,415 | \$83,539,406 | 44.3% | | \$104,887,009 | 190,704 | 10.0% | 19,070 | |
| Furniture | \$134,636,183 | \$30,807,637 | 22.9% | | \$103,828,546 | 188,779 | 10.0% | 18,878 | |
| Sporting Goods/Hobby | \$91,035,366 | \$31,565,669 | 34.7% | | \$59,469,697 | 108,127 | 10.0% | 10,813 | |
| Books & Music | \$21,204,309 | \$12,603,262 | 59.4% | | \$8,601,047 | 15,638 | 10.0% | 1,564 | |
| Office Supplies, Gift Stores | \$35,560,260 | \$7,093,763 | 19.9% | | \$28,466,497 | 51,757 | ---Not Compatible--- | | |
| Electronics/Appliances | \$120,290,505 | \$228,267,785 | 189.8% | | (\$107,977,280) | 0 | ---Not Compatible--- | | |
| Clothing & Accessories | \$358,688,040 | \$81,567,142 | 22.7% | | \$277,120,898 | 503,856 | 10.0% | 50,386 | 50,386 |
| Other General Merchandise | \$527,471,281 | \$67,063,241 | 12.7% | | \$460,408,040 | 837,106 | 10.0% | 83,711 | 41,855 |
| GAFO Total | \$1,477,312,359 | \$542,507,905 | 36.7% | | \$934,804,454 | 1,895,967 | 9.7% | 184,421 | |
| Non-GAFO | | | | | | | | | |
| Eating & Drinking Places | \$833,202,953 | \$602,732,216 | 72.3% | | \$230,470,737 | 419,038 | 10.0% | 41,904 | 41,904 |
| Misc. Stores | \$92,887,134 | \$19,559,348 | 21.1% | | \$73,327,786 | 133,323 | 10.0% | 13,332 | |
| Health & Personal Care | \$302,092,003 | \$152,229,820 | 50.4% | | \$149,862,183 | 272,477 | 10.0% | 27,248 | 27,248 |
| Building/Garden Materials | \$385,030,957 | \$135,582,463 | 35.2% | | \$249,448,494 | 453,543 | ---Not Compatible--- | | |
| Food & Beverage | \$717,684,086 | \$488,153,882 | 68.0% | | \$229,530,204 | 417,328 | 10.0% | 41,733 | 41,733 |
| Non-GAFO Total | \$2,330,897,133 | \$1,398,257,729 | 60.0% | | \$932,639,404 | 1,695,708 | 7.3% | 124,217 | |
| Motor Vehicle/Gas/Non-Store | | | | | | | | | |
| Motor Vehicle | \$1,117,864,280 | \$1,574,453,637 | 140.8% | | (\$456,589,357) | 0 | ---Not Compatible--- | | |
| Gas Stations | \$387,891,494 | \$173,202,195 | 44.7% | | \$214,689,299 | 390,344 | ---Not Compatible--- | | |
| Other Non-Store Retailers | \$711,224,924 | \$331,558,607 | 46.6% | | \$379,666,317 | 690,302 | ---Not Compatible--- | | |
| Motor Vehicle/Gas/Non-Store Total | \$2,216,980,698 | \$2,079,214,439 | 93.8% | | \$137,766,259 | 1,080,647 | 0.0% | 0 | |
| Total (All Spending Categories) | \$6,025,190,190 | \$4,019,980,073 | 66.7% | \$550 | \$2,005,210,117 | 4,672,321 | 6.6% | 308,637 | |
| Excluding Vehicle/Gas/Non-Store | \$3,808,209,492 | \$1,940,765,634 | 51.0% | | \$1,867,443,858 | 3,591,675 | 8.6% | 308,637 | |
| Key Categories (New Format Retail) | | | | | | | | | 203,125 |

66%

Note: In addition to the demand derived from spending gaps within the Retail Trade Area, an additional portion of demand will come from new population growth, as shown on the next page.

New Format Retail

As traditional retail faces accelerating headwinds and the rise of online shopping continues, brick and mortar retail spaces increasingly turns towards experiential excursions focused on food and entertainment. These spending categories represent approximately 2/3 of the potential spending clawback in the Trade Area.

Source: Claritas; TCG

(1) GAFO = General Merchandise, Apparel, Furniture, and Other

(2) High-end retail realizes a higher Sales per Foot. Thus \$550 being a more appropriate figure than the traditional \$300-\$350 per foot.

EXHIBIT 8

ESTIMATED RETAIL DEMAND
RETAIL TRADE AREA
2018 THROUGH 2023

II. Consumer Spending Opportunity Gap Demand Potential

| Market Factor | Per Capita Spending | | New Resident Generated Spending | | | | | 5-Yr Total |
|-------------------------------------------|---------------------|--------------|---------------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| | \$ | % | 2018/2019 | 2019/2020 | 2020/2021 | 2021/2022 | 2022/2023 | |
| New Population Growth | | | 2,066 | 2,066 | 2,066 | 2,066 | 2,066 | 10,329 |
| Spending Categories | | | | | | | | |
| Department Stores | \$844 | 3.1% | \$1,743,333 | \$1,743,333 | \$1,743,333 | \$1,743,333 | \$1,743,333 | \$8,716,663 |
| Furniture | \$603 | 2.2% | \$1,245,662 | \$1,245,662 | \$1,245,662 | \$1,245,662 | \$1,245,662 | \$6,228,310 |
| Sporting Goods/Hobby | \$408 | 1.5% | \$842,265 | \$842,265 | \$842,265 | \$842,265 | \$842,265 | \$4,211,323 |
| Books & Music | \$95 | 0.4% | \$196,184 | \$196,184 | \$196,184 | \$196,184 | \$196,184 | \$980,918 |
| Office Supplies, Gift Stores | \$159 | 0.6% | \$329,006 | \$329,006 | \$329,006 | \$329,006 | \$329,006 | \$1,645,028 |
| Electronics/Appliances | \$539 | 2.0% | \$1,112,935 | \$1,112,935 | \$1,112,935 | \$1,112,935 | \$1,112,935 | \$5,564,675 |
| Clothing & Accessories | \$1,606 | 6.0% | \$3,318,603 | \$3,318,603 | \$3,318,603 | \$3,318,603 | \$3,318,603 | \$16,593,017 |
| Other General Merchandise | \$2,362 | 8.8% | \$4,880,196 | \$4,880,196 | \$4,880,196 | \$4,880,196 | \$4,880,196 | \$24,400,980 |
| Eating & Drinking Places | \$3,732 | 13.8% | \$7,708,844 | \$7,708,844 | \$7,708,844 | \$7,708,844 | \$7,708,844 | \$38,544,219 |
| Misc. Stores | \$416 | 1.5% | \$859,397 | \$859,397 | \$859,397 | \$859,397 | \$859,397 | \$4,296,987 |
| Health & Personal Care | \$1,353 | 5.0% | \$2,794,973 | \$2,794,973 | \$2,794,973 | \$2,794,973 | \$2,794,973 | \$13,974,867 |
| Building/Garden Materials | \$1,724 | 6.4% | \$3,562,330 | \$3,562,330 | \$3,562,330 | \$3,562,330 | \$3,562,330 | \$17,811,648 |
| Food & Beverage | \$3,214 | 11.9% | \$6,640,056 | \$6,640,056 | \$6,640,056 | \$6,640,056 | \$6,640,056 | \$33,200,282 |
| Motor Vehicle | \$5,007 | 18.6% | \$10,342,548 | \$10,342,548 | \$10,342,548 | \$10,342,548 | \$10,342,548 | \$51,712,738 |
| Gas Stations | \$1,737 | 6.4% | \$3,588,795 | \$3,588,795 | \$3,588,795 | \$3,588,795 | \$3,588,795 | \$17,943,977 |
| Other Non-Store Retailers | \$3,185 | 11.8% | \$6,580,296 | \$6,580,296 | \$6,580,296 | \$6,580,296 | \$6,580,296 | \$32,901,479 |
| Total (All Spending Categories) | \$26,985 | 100.0% | \$55,745,422 | \$55,745,422 | \$55,745,422 | \$55,745,422 | \$55,745,422 | \$278,727,112 |
| Excluding Vehicle/Gas/Non-Store | \$17,056 | 63.2% | \$35,233,783 | \$35,233,783 | \$35,233,783 | \$35,233,783 | \$35,233,783 | \$176,168,917 |
| Key Categories (New Format Retail) | | | \$22,902,575 | \$22,902,575 | \$22,902,575 | \$22,902,575 | \$22,902,575 | \$114,512,875 |

| | | | | | | |
|-------------------------------------------|---------------|---------------|---------------|---------------|---------------|----------------|
| <i>Retail Sales per Square Foot</i> | \$550 | \$550 | \$550 | \$550 | \$550 | \$550 |
| Total Demand for Retail Space (SF) | 64,061 | 64,061 | 64,061 | 64,061 | 64,061 | 320,307 |
| Key Categories (New Format Retail) | 41,641 | 41,641 | 41,641 | 41,641 | 41,641 | 208,205 |

III. Total Demand

| | | |
|-------------------------------------------------|----------------|------------------------------------------------------------------|
| Total 5-Year Demand from Opportunity Gaps: | 308,637 | Annualized assuming 5-year absorption flow of current leakage |
| Total 5-Year Demand from New Population Growth: | 320,307 | |
| Total 5-Year Demand: | 628,945 | 125,789 |

IV. Total Demand (Key Categories)

| | | |
|-------------------------------------------------|----------------|------------------------------------------------------------------|
| Total 5-Year Demand from Opportunity Gaps: | 203,125 | Annualized assuming 5-year absorption flow of current leakage |
| Total 5-Year Demand from New Population Growth: | 208,205 | |
| Total 5-Year Demand: | 411,330 | 82,266 |

EXHIBIT 9
SELECTED COMPETITIVE RETAIL INVENTORY SPACE
RETAIL TRADE AREA
JUNE 2018

| Available | | | | | | | | | | | | | |
|-----------------------------------------------------|--------------------------------|-------------|-------|-------|-------|--------------------------------------|--------------|---------------|----------------|----------------|--------------|-----------------|------------|
| Building Name | Address | City | Year | | | Type | Subtype | Typical Floor | RBA | | | Ann. Lease Rate | |
| | | | Built | Reno. | Elev. | | | | Total | Avail. | Occ. | Avg. | Type |
| Retail Trade Area | | | | | | | | | | | | | |
| 696 W El Camino Real | 696 W El Camino Real | Sunnyvale | 2018 | -- | 1s | General Retail | Freestanding | 9,836 | 9,836 | 9,836 | 0.0% | \$72.00 | NNN |
| Bldg B (108-116 E El Camino Real) | 108-116 E El Camino Real | Sunnyvale | 2010 | -- | 1s | General Retail (Community Center) | Freestanding | 8,339 | 8,339 | 1,000 | 88.0% | 69.00 | NNN |
| Homestead Center (20916 Homestead Rd) | 20916 Homestead Rd | Cupertino | 1984 | -- | 1s | General Retail (Neighborhood Center) | Freestanding | 7,200 | 7,200 | 1,200 | 83.3% | 66.00 | NNN |
| 10129-10191 S De Anza Blvd | 10129-10191 S De Anza Blvd | Cupertino | 1952 | -- | 1s | General Retail | Freestanding | 20,527 | 20,527 | 975 | 95.3% | 54.00 | NNN |
| Saratoga Plaza (375 Saratoga Ave) | 375 Saratoga Ave | San Jose | 1970 | -- | 1s | General Retail (Neighborhood Center) | Restaurant | 38,000 | 38,000 | 1,080 | 97.2% | 54.00 | NNN |
| Loree Center (19050-19088 Stevens Creek Blvd) | 19050-19088 Stevens Creek Blvd | Cupertino | 1951 | -- | 1s | General Retail (Strip Center) | | 20,000 | 20,000 | 6,400 | 68.0% | 54.00 | NNN |
| Biltmore (20030-20080 Stevens Creek Blvd) | 20030-20080 Stevens Creek Blvd | Cupertino | 2015 | -- | 1s | General Retail | | 7,045 | 7,045 | 1,271 | 82.0% | 54.00 | NNN |
| 751-799 E El Camino Real | 751-799 E El Camino Real | Sunnyvale | 1993 | -- | 2s | General Retail (Community Center) | Freestanding | 172,613 | 172,613 | 7,066 | 95.9% | 51.00 | NNN |
| 798-820 E El Camino Real | 798-820 E El Camino Real | Sunnyvale | 2008 | -- | 1s | General Retail (Strip Center) | | 5,720 | 5,720 | 1,800 | 68.5% | 51.00 | NNN |
| V Center (1191-1195 S De Anza Blvd) | 1191-1195 S De Anza Blvd | San Jose | 2017 | -- | 2s | General Retail | Freestanding | 13,000 | 13,000 | 3,824 | 70.6% | 48.00 | NNN |
| 1375 S De Anza Blvd | 1375 S De Anza Blvd | Cupertino | 1985 | 2006 | 1s | General Retail | Freestanding | 6,222 | 6,222 | 6,222 | 0.0% | 48.00 | NNN |
| 1253 W El Camino Real | 1253 W El Camino Real | Sunnyvale | 1980 | -- | 1s | General Retail (Strip Center) | Restaurant | 8,979 | 8,979 | 2,262 | 74.8% | 48.00 | NNN |
| 717 E El Camino Real | 717 E El Camino Real | Sunnyvale | 1985 | -- | 1s | General Retail (Strip Center) | | 20,000 | 20,000 | 1,910 | 90.5% | 46.20 | NNN |
| 510 E El Camino Real | 510 E El Camino Real | Sunnyvale | 1979 | -- | 1s | General Retail (Strip Center) | | 12,606 | 12,606 | 2,591 | 79.4% | 45.00 | NNN |
| 1018 W El Camino Real | 1018 W El Camino Real | Sunnyvale | 1958 | 1995 | 1s | General Retail | Freestanding | 7,250 | 7,250 | 7,250 | 0.0% | 45.00 | NNN |
| Westmoor Village (1211-1291 S Mary Ave) | 1211-1291 S Mary Ave | Sunnyvale | 1961 | -- | 1s | General Retail (Neighborhood Center) | Storefront | 60,909 | 60,909 | 2,520 | 95.9% | 42.00 | NNN |
| 455-489 Saratoga Ave | 455-489 Saratoga Ave | San Jose | 1973 | -- | 1s | General Retail (Neighborhood Center) | Storefront | 42,677 | 42,677 | 1,500 | 96.5% | 42.00 | NNN |
| 580 South Murphy (101-103 E El Camino Real) | 101-103 E El Camino Real | Sunnyvale | 1965 | -- | 1s | General Retail (Neighborhood Center) | Freestanding | 24,032 | 24,032 | 1,500 | 93.8% | 39.00 | NNN |
| Henderson Center (1053 E El Camino Real) | 1053 E El Camino Real | Sunnyvale | 1968 | -- | 1s | General Retail (Strip Center) | | 11,249 | 11,249 | 1,350 | 88.0% | 37.20 | NNN |
| 740 E El Camino Real | 740 E El Camino Real | Sunnyvale | 1975 | -- | 1s | General Retail | Restaurant | 10,947 | 10,947 | 10,947 | 0.0% | 36.00 | NNN |
| Pepper Tree Plaza (1084 S De Anza Blvd) | 1084 S De Anza Blvd | San Jose | 1900 | -- | 1s | General Retail (Strip Center) | | 11,500 | 11,500 | 3,698 | 67.8% | 35.60 | NNN |
| Park Lane Plaza (5152-5278 Moorpark Ave) | 5152-5278 Moorpark Ave | San Jose | 1968 | -- | 1s | General Retail (Neighborhood Center) | Freestanding | 70,000 | 70,000 | 4,022 | 94.3% | 34.56 | NNN |
| Bldg 4 & 5 (4360 Stevens Creek Blvd) | 4360 Stevens Creek Blvd | San Jose | 1972 | -- | 1s | General Retail (Neighborhood Center) | Freestanding | 31,981 | 31,981 | 1,360 | 95.7% | 31.30 | NNN* |
| 130 E El Camino Real | 130 E El Camino Real | Sunnyvale | 1964 | -- | 1s | General Retail (Community Center) | Freestanding | 39,500 | 39,500 | 39,500 | 0.0% | 30.00 | NNN |
| Civic Square (802-844 W El Camino Real) | 802-844 W El Camino Real | Sunnyvale | 1964 | 2009 | 1s | General Retail (Neighborhood Center) | Freestanding | 42,178 | 42,178 | 23,900 | 43.3% | 30.00 | NNN |
| Kiely Plaza (1052-1092 Kiely Blvd) | 1052-1092 Kiely Blvd | Santa Clara | 1974 | 1999 | 1s | General Retail (Strip Center) | Freestanding | 23,766 | 23,766 | 1,655 | 93.0% | 29.40 | NNN |
| Moonlite Shopping Center (2610-2790 El Camino Real) | 2610-2790 El Camino Real | Santa Clara | 1960 | 1994 | 1s | General Retail (Community Center) | Freestanding | 169,375 | 169,375 | 15,780 | 90.7% | 28.77 | NNN |
| 1587-1595 Pomeroy Ave | 1587-1595 Pomeroy Ave | Santa Clara | 1964 | -- | 1s | General Retail (Strip Center) | Freestanding | 6,000 | 6,000 | 2,416 | 59.7% | 27.00 | NNN |
| 942-948 W El Camino Real | 942-948 W El Camino Real | Sunnyvale | 1960 | 2016 | 1s | General Retail (Strip Center) | Freestanding | 7,200 | 7,200 | 7,200 | 0.0% | 24.92 | NNN* |
| 1080 Saratoga Ave | 1080 Saratoga Ave | San Jose | 1966 | -- | 1s | General Retail (Strip Center) | Freestanding | 17,380 | 17,380 | 1,178 | 93.2% | 24.48 | NNN |
| Totals: | | | | | | | | 30,868 | 926,031 | 173,213 | 82.2% | \$38.21 | NNN |

Source: CoStar

**Exhibit C: Building Block Allocation –
Updated Table**

Exhibit C

In creating the “Building Block Allocation” table found on page P-0101 of the plan set, some of the areas in Block 1, 6, and 11 were incorrectly attributed to the wrong block due to an excel formula error. This was simply a tabulation discrepancy and does not affect any of the design, nor does it impact the Development Summary. The total square footage for the project remains 4,700,000 square feet of residential uses, 400,000 square feet of retail, and 1,810,000 square feet of office. This updated table also clarifies the square footage and uses that will occur in the bridge area. The following is a corrected version of the Building Block Allocation table.

| DEVELOPMENT SUMMARY (50% AFFORDABLE HOUSING) | | | |
|-----------------------------------------------------------------------------|------------------------|-------------------|-------------------|
| | RESIDENTIAL (GROSS SF) | RETAIL (GROSS SF) | OFFICE (GROSS SF) |
| TOTAL FLOOR AREA* | 4,700,000 | 400,000 | 1,810,000 |
| % | 68.0% | 5.8% | 26.2% |
| * NOTE: PURSUANT TO CUPERTINO MUNICIPAL CODE SECTION 19.08.030 "FLOOR AREA" | | | |
| | RESIDENTIAL (GROSS SF) | RETAIL (GROSS SF) | OFFICE (GROSS SF) |
| PROJECT AREA + DOUBLE HEIGHT FLOOR AREA CALCULATION | 4,961,904 | 485,912 | 1,981,447 |
| % | 66.8% | 6.5% | 26.7% |

| AREAS EXCLUDED FROM FLOOR AREA CALCULATION | |
|-----------------------------------------------------------------------------------------------------------|-------------------------|
| PRIVATE RESIDENTIAL OPEN SPACE (INCLUDES TERRACES, BALCONIES, AND OPEN SPACE AMENITIES) | 14.9 ACRES / 652,000 SF |
| PUBLIC GREEN ROOF PARK SPACE | 22 ACRES / 959,000 SF |
| UNDERGROUND STRUCTURE - WEST (PARKING, UTILITIES, INFRASTRUCTURE) | 1,478,000 SF |
| UNDERGROUND STRUCTURE - EAST (PARKING, UTILITIES, INFRASTRUCTURE) | 1,906,000 SF |
| * NOTE: 14 ACRES ON THE WEST SIDE AND UP TO 8 ACRES ON THE EAST SIDE, DEPENDING ON OFFICE TENANT DEMANDS. | |

| BUILDING BLOCK ALLOCATION | | |
|---------------------------|-----------|-------------------------------|
| | GROSS SF | LAND USES |
| BLOCK 1 | 327,000 | RESIDENTIAL, RETAIL, PARKING |
| BLOCK 2 | 750,000 | RESIDENTIAL, RETAIL, PARKING |
| BLOCK 3 | 1,380,000 | RESIDENTIAL, RETAIL, PARKING |
| BLOCK 3A | 16,000 | CENTRAL PLANT + CENTRAL WASTE |
| BLOCK 4 | 700,000 | RESIDENTIAL, RETAIL, PARKING |
| BLOCK 5 | 538,000 | RESIDENTIAL, RETAIL, PARKING |
| BRIDGE* | 41,000 | RESIDENTIAL AMENITY |
| BLOCK 6 | 247,000 | OFFICE, PARKING |
| BLOCK 7 | 282,000 | OFFICE, PARKING |
| BLOCK 8 | 242,000 | OFFICE, PARKING |
| BLOCK 9 | 710,000 | RESIDENTIAL, PARKING |
| BLOCK 10 | 654,000 | RESIDENTIAL, PARKING |
| BLOCK 11 | 1,039,000 | OFFICE, PARKING |

**Exhibit D: LEED CS v3 Scorecard for
Office Core and Shell**

LEED CS v3 Scorecard - Office Core and Shell

Vallco Town Center

3/27/2018



Yes ?Y ?N No Certified 40-49 Silver 50-59 Gold 60-79 Platinum 80+

65 11 15 19 Total Project Score

| Y | ?Y | ?N | N | | | Y | ?Y | ?N | N |
|----|----|----|---|--------------------------|------------|------------------------------------------------------------------------------------|-----|----|---|
| 27 | 0 | 1 | 0 | Sustainable Sites | | 28 Points Possible | | | |
| Y | | | | | Prereq 1 | Construction Activity Pollution Prevention | n/a | | |
| 1 | | | | | Credit 1 | Site Selection | 1 | | |
| 5 | | | | | Credit 2 | Development Density & Community Connectivity | 5 | | |
| | | 1 | | | Credit 3 | Brownfield Redevelopment | 1 | | |
| 6 | | | | | Credit 4.1 | Alternative Transportation, Public Transportation Access | 6 | | |
| 2 | | | | | Credit 4.2 | Alternative Transportation, Bicycle Storage & Changing Rooms | 2 | | |
| 3 | | | | | Credit 4.3 | Alternative Transportation, Low Emitting & Fuel Efficient Vehicles | 3 | | |
| 2 | | | | | Credit 4.4 | Alternative Transportation, Parking Capacity | 2 | | |
| 1 | | | | | Credit 5.1 | Site Development, Protect or Restore Habitat (50% - fp or 20% of site area) | 1 | | |
| 1 | | | | | Credit 5.2 | Site Development, Maximize Open Space | 1 | | |
| 1 | | | | | Credit 6.1 | Stormwater Design, Quantity Control | 1 | | |
| 1 | | | | | Credit 6.2 | Stormwater Design, Quality Control | 1 | | |
| 1 | | | | | Credit 7.1 | Heat Island Effect, Non-Roof | 1 | | |
| 1 | | | | | Credit 7.2 | Heat Island Effect, Roof | 1 | | |
| 1 | | | | | Credit 8 | Light Pollution Reduction | 1 | | |
| 1 | | | | | Credit 9 | Tenant Design and Construction Guidelines | 1 | | |

| Y | ?Y | ?N | N | | | Y | ?Y | ?N | N |
|---|----|----|---|-------------------------|------------|---------------------------------------------------------------------|-----|----|---|
| 4 | 2 | 4 | 0 | Water Efficiency | | 10 Points Possible | | | |
| Y | | | | | Prereq 1 | Water Use Reduction, 20% Reduction | n/a | | |
| 2 | | | | | Credit 1.1 | Water Efficient Landscaping, Reduce by 50% | 2 | | |
| | | 2 | | | Credit 1.2 | Water Efficient Landscaping, No Potable Use or No Irrigation | 2 | | |
| | | 2 | | | Credit 2 | Innovative Wastewater Technologies | 2 | | |
| 2 | 2 | | | | Credit 3 | Water Use Reduction, 30%, 35%, 40% reduction | 2-4 | | |

| Y | ?Y | ?N | N | | | Y | ?Y | ?N | N |
|----|----|----|----|--------------------------------|------------|-----------------------------------------------------------------|------|----|---|
| 13 | 4 | 8 | 12 | Energy & Atmosphere | | 37 Points Possible | | | |
| Y | | | | | Prereq 1 | Fundamental Commissioning of the Building Energy Systems | n/a | | |
| Y | | | | | Prereq 2 | Minimum Energy Performance, 10% Requirement | n/a | | |
| Y | | | | | Prereq 3 | Fundamental Refrigerant Management | n/a | | |
| 3 | 4 | 2 | 12 | | Credit 1 | Optimize Energy Performance, 14 - 20% | 3-21 | | |
| | | 4 | | | Credit 2 | On-Site Renewable Energy, 1% | 4 | | |
| 2 | | | | | Credit 3 | Enhanced Commissioning | 2 | | |
| | | 2 | | | Credit 4 | Enhanced Refrigerant Management | 2 | | |
| 3 | | | | | Credit 5.1 | Measurement & Verification, Base Building | 3 | | |
| 3 | | | | | Credit 5.2 | Measurement & Verification, Tenant Submetering | 3 | | |
| 2 | | | | | Credit 6 | Green Power | 2 | | |

| Y | ?Y | ?N | N | | | Y | ?Y | ?N | N |
|---|----|----|---|----------------------------------|------------|-------------------------------------------------------------------|-----|----|---|
| 5 | 2 | 0 | 6 | Materials & Resources | | 13 Points Possible | | | |
| Y | | | | | Prereq 1 | Storage & Collection of Recyclables | n/a | | |
| | | | 5 | | Credit 1 | Building Reuse, Maintain Existing Walls, Floors & Roof | 1-5 | | |
| 1 | | | | | Credit 2.1 | Construction Waste Management, Divert 50% | 1 | | |
| 1 | | | | | Credit 2.2 | Construction Waste Management, Divert 75% | 1 | | |
| | | | 1 | | Credit 3 | Materials Reuse, Specify 5% | 1 | | |
| 1 | | | | | Credit 4.1 | Recycled Content, 10% | 1 | | |
| 1 | | | | | Credit 4.2 | Recycled Content, 20% | 1 | | |
| 1 | | | | | Credit 5.1 | Regional Materials, 10% | 1 | | |
| | | 1 | | | Credit 5.2 | Regional Materials, 20% | 1 | | |
| | | 1 | | | Credit 6 | Certified Wood | 1 | | |

| Y | ?Y | ?N | N | | | Y | ?Y | ?N | N |
|---|----|----|---|-------------------------------------|------------|------------------------------------------------------------------------|----|----|---|
| 8 | 1 | 2 | 1 | Indoor Environmental Quality | | 12 Points Possible | | | |
| Y | | | | | Prereq 1 | Minimum IAQ Performance | 1 | | |
| Y | | | | | Prereq 2 | Environmental Tobacco Smoke (ETS) Control | 1 | | |
| 1 | | | | | Credit 1 | Outdoor Air Delivery Monitoring | 1 | | |
| 1 | | | | | Credit 2 | Increased Ventilation | 1 | | |
| 1 | | | | | Credit 3 | Construction IAQ Management Plan, During Construction | 1 | | |
| 1 | | | | | Credit 4.1 | Low-Emitting Materials, Adhesives & Sealants | 1 | | |
| 1 | | | | | Credit 4.2 | Low-Emitting Materials, Paints & Coatings | 1 | | |
| 1 | | | | | Credit 4.3 | Low-Emitting Materials, Carpet Systems | 1 | | |
| 1 | | | | | Credit 4.4 | Low-Emitting Materials, Composite Wood & Agrifiber Products | 1 | | |
| | | 1 | | | Credit 5 | Indoor Chemical & Pollutant Source Control | 1 | | |
| | | | 1 | | Credit 6 | Controllability of Systems, Thermal Comfort | 1 | | |
| 1 | | | | | Credit 7 | Thermal Comfort, Design | 1 | | |
| | | 1 | | | Credit 8.1 | Daylight & Views, Daylight 75% of Spaces | 1 | | |
| | | 1 | | | Credit 8.2 | Daylight & Views, Views for 90% of Spaces | 1 | | |

| Y | ?Y | ?N | N | | | Y | ?Y | ?N | N |
|---|----|----|---|----------------------------------------|------------|-----------------------------------------------------------------|----|----|---|
| 5 | 1 | 0 | 0 | Innovation & Design Process | | 6 Points Possible | | | |
| 1 | | | | | Credit 1.1 | Exemplary Performance: SSc5.1 | 1 | | |
| 1 | | | | | Credit 1.2 | Exemplary Performance: SSc5.2 | 1 | | |
| | | 1 | | | Credit 1.3 | Exemplary Performance: WEC3 / MRC4 / MRC5 / MRC6 | 1 | | |
| 1 | | | | | Credit 1.4 | Innovation in Design: Sustainable Solid Waste Management | 1 | | |
| 1 | | | | | Credit 1.5 | Innovation in Design: Sustainable Landscape Management | 1 | | |
| 1 | | | | | Credit 2 | LEED™ Accredited Professional | 1 | | |

| Y | ?Y | ?N | N | | | Y | ?Y | ?N | N |
|---|----|----|---|-------------------------|------------|--------------------------------------|----|----|---|
| 3 | 1 | 0 | 0 | Regional Credits | | 4 Points Possible | | | |
| | | | | 95014 | | ← Project Zip Code | | | |
| 1 | | | | | Credit 1.1 | Regional Credit: SSc4.1 | 1 | | |
| 1 | | | | | Credit 1.2 | Regional Credit: SSc7.1 | 1 | | |
| 1 | | | | | Credit 1.3 | Regional Credit: WEC1, Opt. 1 | 1 | | |
| | | 1 | | | Credit 1.4 | Regional Credit: WEC3 (40%) | 1 | | |
| | | | 1 | | Credit 1.5 | Regional Credit: EAc2 (1%) | 1 | | |
| | | | 1 | | Credit 1.6 | Regional Credit: IEQc8.1 | 1 | | |

**Exhibit E: LEED NC v3 Scorecard
for Retail / Residential
New Construction**

LEED NC v3 Scorecard - Residential/Retail

Vallco Town Center

3/27/2018



Yes ?Y ?N No Certified 40-49 Silver 50-59 Gold 60-79 Platinum 80+

Total Project Score

| Y | ?Y | ?N | N | | |
|----|----|----|---|--------------------------|---------------------------------------------------------------------------------|
| 25 | 1 | 0 | 0 | Sustainable Sites | 26 Points Possible |
| Y | | | | Prereq 1 | Construction Activity Pollution Prevention n/a |
| 1 | | | | Credit 1 | Site Selection 1 |
| 5 | | | | Credit 2 | Development Density & Community Connectivity 5 |
| | 1 | | | Credit 3 | Brownfield Redevelopment 1 |
| 6 | | | | Credit 4.1 | Alternative Transportation, Public Transportation Access 6 |
| 1 | | | | Credit 4.2 | Alternative Transportation, Bicycle Storage & Changing Rooms 1 |
| 3 | | | | Credit 4.3 | Alternative Transportation, Low Emitting & Fuel Efficient Vehicles 3 |
| 2 | | | | Credit 4.4 | Alternative Transportation, Parking Capacity 2 |
| 1 | | | | Credit 5.1 | Site Development, Protect or Restore Habitat (or 20% of site area) 1 |
| 1 | | | | Credit 5.2 | Site Development, Maximize Open Space 1 |
| 1 | | | | Credit 6.1 | Stormwater Design, Quantity Control 1 |
| 1 | | | | Credit 6.2 | Stormwater Design, Quality Control 1 |
| 1 | | | | Credit 7.1 | Heat Island Effect, Non-Roof 1 |
| 1 | | | | Credit 7.2 | Heat Island Effect, Roof 1 |
| 1 | | | | Credit 8 | Light Pollution Reduction 1 |

| Y | ?Y | ?N | N | | |
|---|----|----|---|-------------------------|------------------------------------------------------------------------|
| 4 | 1 | 3 | 2 | Water Efficiency | 10 Points Possible |
| Y | | | | Prereq 1 | Water Use Reduction, 20% Reduction n/a |
| 2 | | 2 | | Credit 1 | Water Efficient Landscaping, Reduce by 50% , No Potable Use 2-4 |
| | | | 2 | Credit 2 | Innovative Wastewater Technologies 2 |
| 2 | 1 | 1 | | Credit 3 | Water Use Reduction, 30%, 35%, 40% reduction 2-4 |

| Y | ?Y | ?N | N | | |
|---|----|----|----|--------------------------------|---------------------------------------------------------------------|
| 8 | 10 | 4 | 13 | Energy & Atmosphere | 35 Points Possible |
| Y | | | | Prereq 1 | Fundamental Commissioning of the Building Energy Systems n/a |
| Y | | | | Prereq 2 | Minimum Energy Performance - (10% Requirement) n/a |
| Y | | | | Prereq 3 | Fundamental Refrigerant Management n/a |
| 1 | 8 | 2 | 8 | Credit 1 | Optimize Energy Performance, 26%, 36%, 44% 1-19 |
| | | 2 | 5 | Credit 2 | On-Site Renewable Energy, 3% 1-7 |
| 2 | | | | Credit 3 | Enhanced Commissioning 2 |
| | 2 | | | Credit 4 | Enhanced Refrigerant Management 2 |
| 3 | | | | Credit 5 | Measurement & Verification 3 |
| 2 | | | | Credit 6 | Green Power 35% 2 |

| Y | ?Y | ?N | N | | |
|---|----|----|---|----------------------------------------|-------------------------------------------------------------------|
| 5 | 1 | 0 | 0 | Innovation & Design Process | 6 Points Possible |
| 1 | | | | Credit 1.1 | Exemplary Performance: SSC5.1 1 |
| 1 | | | | Credit 1.2 | Exemplary Performance: SSC5.2 1 |
| | 1 | | | Credit 1.3 | Exemplary Performance: MRC4 / MRC5 1 |
| 1 | | | | Credit 1.4 | Innovation in Design: Sustainable Solid Waste Management 1 |
| 1 | | | | Credit 1.5 | Innovation in Design: Sustainable Landscape Practices 1 |
| 1 | | | | Credit 2 | LEED™ Accredited Professional 1 |

| Y | ?Y | ?N | N | | |
|---|----|----|---|----------------------------------|---------------------------------------------------------------------------|
| 5 | 2 | 0 | 7 | Materials & Resources | 14 Points Possible |
| Y | | | | Prereq 1 | Storage & Collection of Recyclables n/a |
| | | | 3 | Credit 1.1 | Building Reuse, Maintain Existing Walls, Floors & Roof 1-3 |
| | | | 1 | Credit 1.2 | Building Reuse, Maintain 50% of Interior Non-Structural Elements 1 |
| 1 | | | | Credit 2.1 | Construction Waste Management, Divert 50% 1 |
| 1 | | | | Credit 2.2 | Construction Waste Management, Divert 75% 1 |
| | | | 1 | Credit 3.1 | Materials Reuse, Specify 5% 1 |
| | | | 1 | Credit 3.2 | Materials Reuse, Specify 10% 1 |
| 1 | | | | Credit 4.1 | Recycled Content, 10% 1 |
| 1 | | | | Credit 4.2 | Recycled Content, 20% 1 |
| 1 | | | | Credit 5.1 | Regional Materials, 10% 1 |
| 1 | | | | Credit 5.2 | Regional Materials, 20% 1 |
| | | | 1 | Credit 6 | Rapidly Renewable Materials 2.5% 1 |
| | | | 1 | Credit 7 | Certified Wood 1 |

| Y | ?Y | ?N | N | | |
|----|----|----|---|-------------------------------------|--------------------------------------------------------------------------|
| 10 | 2 | 1 | 2 | Indoor Environmental Quality | 15 Points Possible |
| Y | | | | Prereq 1 | Minimum IAQ Performance n/a |
| Y | | | | Prereq 2 | Environmental Tobacco Smoke (ETS) Control n/a |
| Y | | | | Prereq 3 | Multifamily Compartmentalization n/a |
| 1 | | | | Credit 1 | Outdoor Air Delivery Monitoring 1 |
| | | | 1 | Credit 2 | Increased Ventilation 1 |
| 1 | | | | Credit 3.1 | Construction IAQ Management Plan, During Construction 1 |
| 1 | | | | Credit 3.2 | Construction IAQ Management Plan, Before Occupancy 1 |
| 1 | | | | Credit 4.1 | Low-Emitting Materials, Adhesives & Sealants 1 |
| 1 | | | | Credit 4.2 | Low-Emitting Materials, Paints & Coatings 1 |
| 1 | | | | Credit 4.3 | Low-Emitting Materials, Flooring Systems 1 |
| 1 | | | | Credit 4.4 | Low-Emitting Materials, Composite Wood & Agrifiber Products 1 |
| | | | 1 | Credit 5 | Indoor Chemical & Pollutant Source Control 1 |
| 1 | | | | Credit 6.1 | Controllability of Systems, Lighting 1 |
| 1 | | | | Credit 6.2 | Controllability of Systems, Thermal Comfort 1 |
| 1 | | | | Credit 7.1 | Thermal Comfort, Design 1 |
| | | | 1 | Credit 7.2 | Thermal Comfort, Verification 1 |
| | | | 1 | Credit 8.1 | Daylight & Views, Daylight 75% of Spaces 1 |
| | | | 1 | Credit 8.2 | Daylight & Views, Views for 90% of Spaces 1 |

| Y | ?Y | ?N | N | | |
|--------------|----|----|---|-------------------------|--------------------------------------|
| 2 | 2 | 0 | 0 | Regional Credits | 4 Points Possible |
| 95014 | | | | Project Zip Code | |
| 1 | | | | Credit 1.1 | Regional Credit: SSC4.1 1 |
| 1 | | | | Credit 1.2 | Regional Credit: SSC7.1 1 |
| | | | 1 | Credit 1.3 | Regional Credit: WEC2 1 |
| | | | 1 | Credit 1.4 | Regional Credit: WEC3 (40%) 1 |
| | | | 1 | Credit 1.5 | Regional Credit: EAc2 (1%) 1 |
| | | | 1 | Credit 1.6 | Regional Credit: IEQc8.1 1 |

Exhibit F:
Water Efficient Landscape Checklist



WATER-EFFICIENT LANDSCAPE CHECKLIST

Community Development Department
10300 Torre Avenue
Cupertino, CA 95014

408.777.3308 / Fax 408.777.3333
planning@cupertino.org
http://cupertino.org/planning

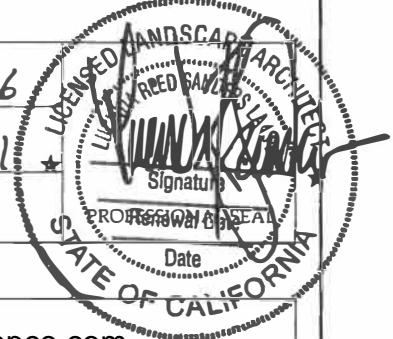
CUPERTINO

PART 1: CERTIFIED/LICENSED PROFESSIONAL INFORMATION

COMPANY & COMPANY ADDRESS: **OLIN PARTNERSHIP, LTD. 150 S. INDEPENDENCE MALL WEST SUITE 1123, PHILADELPHIA, PA 19106**

NAME: **LUCINDA R. SANDERS** LIC./CERT.#: **CALIFORNIA / LA-4341**

E-MAIL: **lsanders@theolinstudio.com** PHONE: **215-440-0030**



PART 2: PROPERTY & PROPERTY OWNER INFORMATION

PROPERTY OWNER NAME: **Vallco Property Owner LLC** E-MAIL: **info@shpco.com**

PROPERTY OWNER ADDRESS: **965 Page Mill Road, Palo Alto, CA 94304** PHONE: **650-344-1500**

PROJECT ADDRESS: **10123 N. Wolfe Road, Cupertino, CA 95014** A.P.N.: **see attached Applicant Comments**

| PROJECT TYPE (CHECK APPLICABLE) | WATER SOURCE | TOTAL LANDSCAPE AREA | TURF PLANT AREA |
|------------------------------------------|----------------------------------------------------------------|--------------------------|------------------------|
| <input checked="" type="checkbox"/> New | <input checked="" type="checkbox"/> Potable | 1,426,718 SQ. FT. | 251,893 SQ. FT. |
| <input type="checkbox"/> Rehabilitated | <input type="checkbox"/> Recycled | | |
| <input type="checkbox"/> Non-Residential | <input checked="" type="checkbox"/> On-site captured rainwater | | |
| | <input checked="" type="checkbox"/> Graywater | | |
| | WATER PURVEYOR | NON-TURF PLANT AREA | SPECIAL LANDSCAPE AREA |
| | | 1,100,272 SQ. FT. | 65,852 SQ. FT. |

PART 3: COMPLIANCE CHECKLIST

| Landscape Parameter | Requirements | Compliance |
|--------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|
| TURF AREA <input type="checkbox"/> no turf | Turf shall not exceed 25% of the landscape area or 1,250 sq. ft., whichever is lesser in area. (No turf in non-residential area) | <input checked="" type="checkbox"/> YES See Applicant Comments |
| | Turf shall not be planted on slopes more than 25%. | <input checked="" type="checkbox"/> YES |
| | All portions of turf areas shall be wider than ten (10) feet (unless irrigated with subsurface irrigation or low volume irrigation system). | <input checked="" type="checkbox"/> YES |
| PLANTING AREA | At least 80% (100% for non-residential area) of non-turf area shall consist of native or low water use plants. | <input checked="" type="checkbox"/> YES |
| | No invasive and/or noxious plant species shall be planted. | <input checked="" type="checkbox"/> YES |
| | Plants with similar water needs shall be grouped within hydrozones. Each hydrozone shall be controlled by a separate valve. | <input checked="" type="checkbox"/> YES |
| SOIL MANAGEMENT | At least 4 cu. yds. of compost, six (6) inches deep, shall be applied per 1,000 sq. ft. of landscape area. | <input checked="" type="checkbox"/> YES |
| | A minimum three (3) inch layer of mulch shall be applied on all exposed soil surfaces of planting areas, except in areas of direct seeding application (e.g. hydro-seeding). | <input checked="" type="checkbox"/> YES |
| | Grading shall be designed to minimize soil erosion, run-off, and water waste. | <input checked="" type="checkbox"/> YES |
| IRRIGATION SYSTEM <input type="checkbox"/> no irrigation system | Automatic irrigation controllers are required and must use evapotranspiration or soil moisture sensor data and utilize a rain sensor. | <input checked="" type="checkbox"/> YES |
| | Irrigation controllers shall be a type which does not lose programming data in the event the primary power source is interrupted. | <input checked="" type="checkbox"/> YES |



WATER-EFFICIENT LANDSCAPE CHECKLIST

Community Development Department
10300 Torre Avenue
Cupertino, CA 95014

408.777.3308 / Fax 408.777.3333
planning@cupertino.org
http://cupertino.org/planning

CUPERTINO

| Landscape Parameter | Requirements | Compliance |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| IRRIGATION SYSTEM | Pressure regulators shall be installed on the irrigation system to ensure the dynamic pressure of the system is within the manufacturer's recommended pressure range. | <input checked="" type="checkbox"/> YES |
| | Manual shut-off valves (such as a gate valve, ball valve, or butterfly valve) shall be installed as close to possible to the point of connection of the water supply. | <input checked="" type="checkbox"/> YES |
| | All irrigation emission devices must meet the requirements set in the ANSI standard, ASABE/ICC 802-2014 "Landscape Irrigation Sprinkler and Emitter Standard." All sprinkler heads installed in the landscape must document a distribution uniformity low quarter of 0.65 or higher using the protocol defined in ASABE/ICC 802-2014. | <input checked="" type="checkbox"/> YES |
| | Dedicated irrigation meters are required for non-residential projects with more than 1,000 sq. ft. of landscape area. | <input checked="" type="checkbox"/> YES |
| WATER FEATURES <input checked="" type="checkbox"/> pool <input checked="" type="checkbox"/> other: <u>FOUNTAIN</u> <input type="checkbox"/> no water features | Pool and spa covers shall be installed. | <input checked="" type="checkbox"/> YES |
| | Recirculating water systems shall be used for all water features. | <input checked="" type="checkbox"/> YES |
| | Water features are limited to 10% of the landscaped area. | <input checked="" type="checkbox"/> YES |

I am aware of available informational resources regarding native and low water use plants, irrigation efficiency, and other aspects of water-efficient landscaping. I certify that the information provided on this checklist is correct, and the installed landscape complies with the requirements of Chapter 14.15 and /or the requirements of the Prescriptive Compliance Option. I also understand that any changes to the project will necessitate a new checklist.

SIGNATURE OF PROPERTY OWNER OR AUTHORIZED REPRESENTATIVE

X Richard R. Sanders

SIGNATURE OF LICENSED/CERTIFIED LANDSCAPE PROFESSIONAL

DATE

06/10/2018

DATE

06/08/2018

Applicant Comments

Use additional paper if necessary

See attached Applicant Comments.

Staff Evaluation

- Approved
- Not Approved

Permit # _____

Staff Comments

SIGNATURE

DATE

WATER EFFICIENT LANDSCAPE CHECKLIST

Vallco Town Center
Applicant Comments
June 15, 2018

1. PART 2: TOTAL LANDSCAPE AREA

Please note that the “Total Landscape Area” includes the area for water features and fountains.

2. PART 2: APNs

The APNs for the Property are:

- APN 316-20-080 APN 316-20-100
- APN 316-20-081 APN 316-20-101
- APN 316-20-082 APN 316-20-103
- APN 316-20-088 APN 316-20-104
- APN 316-20-094 APN 316-20-105
- APN 316-20-095 APN 316-20-106
- APN 316-20-099 APN 316-20-107

3. PART 3: CHECKLIST COMPLIANCE

The Application checklist does not include the option (b) as per the Ordinance that allows the applicant to, “Prepare of a water budget calculation, per the provisions of Section 14.15.070”:

| | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|---------------------------------------------------------------------------------|
| 1. Options to demonstrate water efficiency | | |
| a. i. Total turf area shall not exceed 25% of the landscape area, or 1,250 square feet, whichever is lesser in area and ii. At least 80% of the plants within non-turf areas shall be native or low water-use | OR | b. Prepare a water budget calculation, per the provisions of Section 14.15.070. |
| AND | | |
| 2. Turf Restrictions | | |
| a. Turf shall not be planted on slopes greater than 25%. b. Turf areas shall not be less than ten feet wide. | | |

The total turf areas for the Project are less than 25% the landscape area and at least 80% of the plants within non-turf areas shall be native or low water-use. The Application, however, proposes more than 1,250 square feet of turf. Accordingly, the Applicant will provide “Appendix B Water Budget Worksheet” to be reviewed and approved prior to final permit issuance per CMC 14.15.050.