

THE CRITICAL ELEMENTS OF TENANT AND BUYER REPRESENTATION

You have a fundamental right to have a qualified team of professionals working to facilitate your real estate needs along every level - a team solving your facility needs in a manner which is focused, coordinated and directed by one group - a group solely responsible for everything from performing initial market studies to negotiating lease or purchase terms and managing architects, general contractors, movers and telecommunication firms. Landlords have such teams. Why shouldn't you have the same level of support and services to place the negotiations on a level playing field?

We believe you should.

Never before has a scope of services been available to tenants in a manner as coordinated and with the depth of resources that Commercial Realty Specialists offers. All of your bases are covered by a team directly accountable to you.

Representation is a tenant's fundamental right. Three elements which are integral to it are:

UNDERSTANDING:

Commercial Realty Specialists spends considerable time interviewing you and your department managers to understand your needs, goals, priorities and corporate culture. Once we know what services you require; we provide a comprehensive strategy to address your real estate needs. It is critical we understand your needs so that our services are in line with your expectations.

COMPETENCE:

Our negotiating and real estate market experience is extensive. We represent local and national firms, large and small requirements, and a variety of service and professional industries. Our team provides a comprehensive program of services that extends from defining your needs through the negotiating and move-in phases and on to monitoring your occupancy, growth or contraction, and operating expense pass through charges. We provide the experience, resources and services you need to closely scrutinize your real estate operating expenses so that you can make more informed business decisions.

COMMITMENT:

Commercial Realty Specialists is committed to providing you the highest level of service and to creating the greatest value. We take a complete inventory of your needs, goals, resources, and constraints to develop an individual program that presents you with an objective opinion of your real estate alternatives; then we implement a comprehensive solution that produces real estate decisions in support of your business objectives.

SCOPE OF SERVICES

The following represents the scope of Tenant Representation Services Commercial Realty Specialists provides:

- LEASE ANALYSIS
- LEASE RENEGOTIATIONS
- LEASE NEGOTIATIONS
- SPACE PLANNING
- COMPARATIVE LEASE ANALYSIS
- BUY VS. LEASE ANALYSIS
- SUBLEASING SERVICES
- CONTROL BOOK / EXECUTIVE SUMMARY
- CUSTOMIZED MARKET STUDIES
- VACANCY / ABSORPTION STUDIES
- LEASE AND SALE COMPARABLES
- LABOR AND HOUSING STUDIES
- ANNUAL BUILDING OPERATING EXPENSE AUDITS
- TENANT IMPROVEMENT REMODELING ANALYSIS
- SITE SELECTION
- PROPERTY PROFILES
- DEMOGRAPHIC STUDIES
- PROPERTY TAX REDUCTION
- APPRAISAL
- REAL ESTATE REFINANCING
- BUILD-TO-SUIT ANALYSIS
- LEGAL COUNSEL
- CONSTRUCTION MANAGEMENT
- EVALUATING AND SELECTING GENERAL CONTRACTING, MOVING, AND TELECOMMUNICATION FIRMS
- RELOCATION MANAGEMENT
- FURNITURE SYSTEMS ACQUISITION

THE RELOCATION/RENEGOTIATION PROCESS

PHASE I - CLARIFICATION OF NEEDS

1. *Selection of Team Members: Client/Commercial Realty Specialists - Client Interaction.*

- ▶ Real estate representation - representation agreement.
- ▶ Develop company profile: goals, preferences, concerns, financial constraints, image, and customer relationships.
- ▶ Establish organization & responsibilities of client/broker.
- ▶ Space planner/interior designer - block plans - assess special needs (computer, telephone, etc.).
- ▶ Appoint individual within Client's company as the primary contact.

2. *Evaluating Your Options*

- ▶ Determine desirability to remain in your current location.
- ▶ Identify physical and operational advantages/disadvantages of remaining.
- ▶ Determine if the undesirable physical and/or property management issues are curable.
- ▶ Assess Landlord's motivation to renegotiate lease.
- ▶ Evaluate lease agreement and other occupancy costs.

3. *Establish Lease Relocation/Renewal/Purchase Terms Criteria*

Relocation/Purchase Criteria

Location
Building Type
Floor Plate Size
Floor Location
Street Visibility/Identity
Freeway Access
Co-location with Competitors
Parking
Elevator (Freight) Service
Telecommunication Vendor
Hours of Building Services

Lease/Purchase Terms

Initial Space
Lease Commencement
Early Access
Lease Term
Base Rent & Escalations
Tenant Improvement Allowance
Operating Expenses
Audit Rights
Rent Abatement
Moving Allowance
Renewal Options

Relocation/Purchase Criteria

Access/Security
Support Services/ Amenities
Floor/Electrical Loads
Handicap Access (ADA)
Fiber Optic Communication
Public Transportation
Public Works Disruption
Non-Disturbance Agreement
Hazardous Material
Lease Takeover

Lease/Purchase Terms

Expansion/Contraction Clause
Signage Rights
Assignment/Subletting
Security Deposit
Mutual Indemnification
Exclusivity
Relocation Clause

PHASE II - REVIEW OF MARKETPLACE

4. Office Space Survey

- ▶ Prepare a comprehensive survey of all viable alternatives for our Client based on previously established criteria. Information supplied on each alternative will include asking rental rates or purchase price, vacancy, floor sizes and efficiencies, percent occupied, nature of tenancy, building ownership, tenant improvement allowance, etc.
- ▶ Review alternatives with our Client and make specific comments and recommendations on each of the building's ownership and relative flexibility in dealing with tenants leading to preliminary site selections.
- ▶ Make arrangements for representatives of our Client to inspect each building of interest.
- ▶ Reduce number of alternatives to between three and five.

PHASE III - LEASE/PURCHASE NEGOTIATIONS

5. Lease/Purchase Negotiations

- ▶ In conjunction with our Client, develop lease strategy and Request for Proposal (RFP)/Purchase Offer documents.
- ▶ Submit RFP/Purchase Offer and Building/Location Questionnaires.
- ▶ Arrange, at prospective landlord's expense, to complete space plan study of preferred building.
- ▶ Review with prospective landlords the content of the RFP/Purchase Offer and issues of special tenant interest or concern.
- ▶ Review submitted lease proposals/purchase offers, clarify any ambiguities.
- ▶ Complete and summarize financial analysis and comparisons in conjunction with space plan analysis.
- ▶ Develop and submit counter proposals incorporating tenant improvement criteria.
- ▶ Conclude lease proposal/purchase offer negotiations with primary site selection.
- ▶ Commence negotiations on lease documents/Open escrow.

PHASE IV - CONSTRUCTION AND OCCUPANCY

6. Space Plans (Construction Drawings)

- ▶ In conjunction with space planner:
 - a. Commence work on preliminary space plans addressing architectural, mechanical, electrical, ceiling, and lighting drawings.
 - b. Review, revise and approve construction drawings.
 - c. Competitively bid construction drawings.
 - d. Select general contractor.
 - e. Develop construction schedule and occupancy date.
 - f. Establish reporting system.

7. Vendor Coordination

- ▶ Develop list of systems and service vendors (telecommunication, computer, furniture, moving, stationery, signage, etc.)
- ▶ Establish lines of communication with vendors and general contractor to coordinate building access, installation and testing of systems.
- ▶ Facilitate client/vendor/general contractor/property management communication.
- ▶ Discuss merits of construction manager and/or move coordinator.

8. Lease Execution and Delivery

9. Client's Occupancy

10. Follow-up on Client's Satisfaction

- ▶ "Punch list" repair items
- ▶ Building services, etc.

11. Submittal of Executive Summary to our Client of pertinent lease terms, notice options, rent adjustment dates and billing periods.

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Commercial Realty Specialists

Exclusively Representing & Advising Tenants & Buyers

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Creating Value Through 22+Years of Knowledge & Experience