PRIME US REIT

(a real estate investment trust constituted on 7 September 2018 under the laws of the Republic of Singapore)

7.6% DISTRIBUTION YIELD FOR PROJECTION YEAR 2020[1]

A HIGH-QUALITY PORTFOLIO OF PRIME U.S. OFFICE PROPERTIES

One Washingtonian Center, Gaithersburg, Maryland

Offering of 335,203,200 Units

(subject to the Over-Allotment Option (as defined herein))

Singapore Public Offer Size: No less than 16,761,000 Units

Offering Price: US$0.88 per Unit

Singapore Public Offer Subscription Price: S$1.20 per Unit[2]

Prospectus dated 8 July 2019
(Registered with the Monetary Authority of Singapore on 8 July 2019)

This document is important. If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, account or other professional adviser.

KBS US Prime Property Management Pte. Ltd., as manager (the "**Manager**") of Prime US REIT, is making an offering (the "**Offering**") of 335,203,200 units representing undivided interests in Prime US REIT ("**Units**") for subscription at the Offering Price (as defined below) (the "**Offering Units**"). The Offering consists of (i) an international placement of 318,442,200 Units to investors, outside the United States of America (the "**U.S.**" or "**United States**") (the "**Placement Tranche**") and (ii) an offering of no less than 16,761,000 Units to the public in Singapore (the "**Singapore Public Offer**"). The Units may be re-allocated between the Placement Tranche and the Singapore Public Offer at the discretion of the Joint Bookrunners (as defined herein) (in consultation with the Manager), subject to the minimum unitholding and distribution requirements of the SGX-ST.

The issue price of each Unit under the Offering will be US$0.88 per Unit (the "**Offering Price**"). Investors subscribing for Units under the Singapore Public Offer will pay S$1.20 per Unit. DBS Bank Ltd. is the sole financial adviser and issue manager for the Offering (the "**Sole Financial Adviser and Issue Manager**"). DBS Bank Ltd. and Merrill Lynch (Singapore) Pte. Ltd. are the joint global coordinators for the Offering (together, the "**Joint Global Coordinators**"). DBS Bank Ltd., Merrill Lynch (Singapore) Pte. Ltd., China International Capital Corporation (Singapore) Pte. Limited, Credit Suisse (Singapore) Limited, Maybank Kim Eng Securities Pte. Ltd. and Oversea-Chinese Banking Corporation Limited are the joint bookrunners and underwriters for the Offering (collectively, the "**Joint Bookrunners and Underwriters**" or the "**Joint Bookrunners**"). The Singapore Offer Agreement (as defined herein) was entered into on 8 July 2019 in connection with the Singapore Public Offer. The Placement Agreement (as defined herein) is expected to be entered into on or prior to the closing date for the Singapore Public Offer, being 15 July 2019. If for any reason the Placement Agreement is not entered into, the Offering will not proceed.

As at the date of this Prospectus, there is one Unit in issue (the "**Initial Unit**").

Concurrently with, but separate from the Offering, KBS REIT Properties III LLC ("**KBS REIT Properties III**"), which is an indirect wholly-owned subsidiary of KBS Real Estate Investment Trust III, Inc. ("**KBS REIT III**"), has entered into a subscription agreement (the "**KBS Subscription Agreement**") to subscribe for an aggregate of 228,408,999 Units (the "**KBS Units**") at the Offering Price conditional upon the Placement Agreement and the Singapore Offer Agreement having been entered into, and not having been terminated, pursuant to their terms on or prior to the Settlement Date (as defined herein).

In addition, concurrently with, but separate from the Offering, the Cornerstone Investors (as defined herein) which includes Keppel Capital Investment Holdings Pte. Ltd. ("**KCIH**"), a wholly-owned subsidiary of Keppel Capital Holdings Pte. Ltd. ("**KCH**"), have each entered into a separate subscription agreement to subscribe for an aggregate of 360,251,800 Units (the "**Cornerstone Units**") at the Offering Price conditional upon the Placement Agreement and the Singapore Offer Agreement having been entered into, and not having been terminated, pursuant to their terms on or prior to the Settlement Date.

The total number of outstanding Units (including the Initial Unit, the KBS Units and the Cornerstone Units) immediately after the completion of the Offering will be 923,864,000 Units. The exercise of the Over-Allotment Option (as defined herein) will not increase the total number of Units in issue.

Prior to the Offering, there has been no market for the Units. The offer of Units under this Prospectus will be by way of an initial public offering in Singapore ("**IPO**"). Application has been made to Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for permission to list on the Main Board of the SGX-ST and in connection thereto, Prime US REIT has received a letter of eligibility from the SGX-ST for the listing and quotation of (i) all Units comprised in the Offering, (ii) the KBS Units, (iii) the Cornerstone Units, (iv) all the Units which will be issued to the Manager from time to time in full or part payment of the Manager's fees and (v) all the Units which may be issued from time to time for full or part payment of property managers' fees. Such permission will be granted on the date when Prime US REIT has been admitted to the Official List of the SGX-ST (the "**Listing Date**"). Acceptance of applications for Units will be conditional upon issue of the Units and upon permission being granted to list the Units. In the event that such permission is not granted or if the Offering is not completed for any other reason, application monies will be returned in full, at each investor's own risk, without interest or any share of revenue or other benefit arising therefrom, and without any right or claim against any of Prime US REIT, the Manager, DBS Trustee Limited, as trustee of Prime US REIT (the "**Trustee**"), the Sponsor (as defined herein), the Sole Financial Adviser and Issue Manager or the Joint Bookrunners.

Prime US REIT's eligibility to list on the Main Board of the SGX-ST does not indicate the merits of the Offering, Prime US REIT, the Manager, the Trustee, the Sponsor, the Sole Financial Adviser and Issue Manager, the Joint Bookrunners or the Units. The SGX-ST assumes no responsibility for the correctness of any statements or opinions made or reports contained in this Prospectus. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Offering, Prime US REIT, the Manager, the Trustee, the Sponsor, the Sole Financial Adviser and Issue Manager, the Joint Bookrunners or the Units.

The collective investment scheme offered in this Prospectus is an authorised scheme under the Securities and Futures Act, Chapter 289 of Singapore (the "Securities and Futures Act" or "SFA"). A copy of this Prospectus has been lodged with and registered by the Monetary Authority of Singapore (the "Authority" or "MAS") on 28 June 2019 and 8 July 2019, respectively. The MAS assumes no responsibility for the contents of the Prospectus. Registration of the Prospectus by the MAS does not imply that the Securities and Futures Act or any other legal or regulatory requirements have been complied with. The MAS has not, in any way, considered the investment merits of the collective investment scheme. This Prospectus will expire on 7 July 2020 (12 months after the date of the registration of this Prospectus).

See "Risk Factors" commencing on page 59 of this Prospectus for a discussion of certain factors to be considered in connection with an investment in the Units including the risk factor "There are limitations on the ownership of Units in Prime US REIT" on page 59 of this Prospectus in relation to certain restrictions on investors owning in excess of 9.8% of the Units and the risk factor "Changes in taxation legislation, administrative guidance, practice, regulations, any disagreement as to the interpretation thereof, and/or any tax ruling ceasing to apply, may adversely affect Prime US REIT, its subsidiaries, Unitholders and/or the Manager (and its owners)" on page 62 of this Prospectus in relation to the potential changes to the IRC (as defined herein). None of the Manager, the Trustee, the Sponsor, the Sole Financial Adviser and Issue Manager or the Joint Bookrunners guarantees the performance of Prime US REIT, the repayment of capital or the payment of a particular return on the Units.

Investors applying for Units by way of Application Forms (as defined herein) or Electronic Applications (both as referred to in Appendix G, "Terms, Conditions and Procedures for Application for and Acceptance of the Units in Singapore") in the Singapore Public Offer will have to pay the Offering Price on application, subject to a refund of the full amount or, as the case may be, the balance of the application monies (in each case without interest or any share of revenue or other benefit arising therefrom), where (i) an application is rejected or accepted in part only, or (ii) if the Offering does not proceed for any reason.

In connection with the Offering, the Joint Bookrunners will be granted an over-allotment option (the "**Over-Allotment Option**") by KBS REIT Properties III on the date of the Placement Agreement (the "**Unit Lender**") to purchase up to an aggregate of 46,193,000 Units (representing 13.8% of the total number of Units in the Offering) at the Offering Price from the Unit Lender. The Over-Allotment Option is exercisable by Merrill Lynch (Singapore) Pte. Ltd. (the "**Stabilising Manager**") (or any of its affiliates), in consultation with the other Joint Bookrunners, in full or in part, on one or more occasions, only from the Listing Date but no later than the earliest of (i) the date falling 30 days from the Listing Date; or (ii) the date when the Stabilising Manager (or its affiliates or other persons acting on behalf of the Stabilising Manager) has bought, on the SGX-ST, all the units under the Over-Allotment Option. In connection with the Offering, the Stabilising Manager (or its affiliates or other persons acting on behalf of the Stabilising Manager) may, in consultation with the other Joint Bookrunners and at its discretion, over -allot or effect transactions which stabilise or maintain the market price of the Units at levels that might not otherwise prevail in the open market. However, there is no assurance that the Stabilising Manager (or its affiliates or other persons acting on behalf of the Stabilising Manager) will undertake stabilising action. Such transactions may be effected on the SGX-ST and in other jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulations.

Nothing in this Prospectus constitutes an offer for securities for sale in the United States or any other jurisdiction where it is unlawful to do so. The Units have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the securities law of any other jurisdiction and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Units are being offered and sold only outside the United States in offshore transactions as defined in and in reliance on the exemption from registration provided by Regulation S under the Securities Act ("**Regulation S**").

1 Based on the Offering Price and the accompanying assumptions in the Prospectus. Such yield will vary accordingly for investors who purchase Units in the secondary market at a market price different from the Offering Price and such yield is not guaranteed.

2 Based on the exchange rate of US$1.00 to S$1.3636, as determined by the Manager in consultation with DBS Bank Ltd..

Sponsor

KBS | Asia Partners

Sole Financial Adviser and Issue Manager

DBS

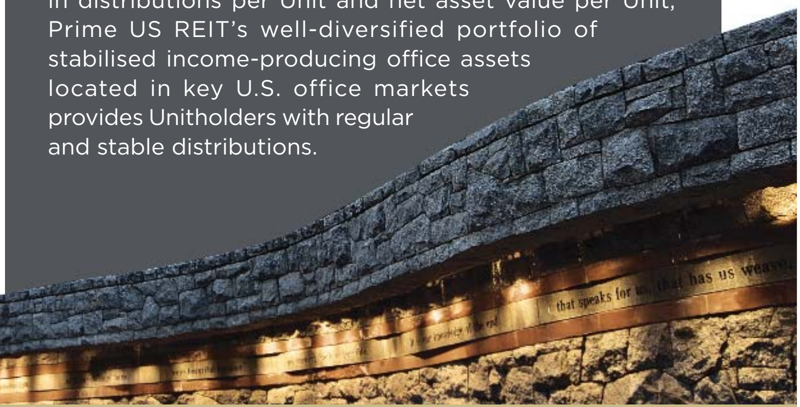
Joint Global Coordinators

DBS | Bank of America Merrill Lynch

Joint Bookrunners and Underwriters

DBS | Bank of America Merrill Lynch | Credit Suisse | Maybank Kim Eng | OCBC Bank | CICC 中金公司

222 Main, Salt Lake City, Utah



ABOUT PRIME US REIT

A HIGH-QUALITY, WELL-DIVERSIFIED, PORTFOLIO OF PRIME U.S. CLASS A OFFICE PROPERTIES

Prime US REIT is a real estate investment trust ("**REIT**") that offers investors unique exposure to a high-quality portfolio of 11 prime office properties strategically located in 9 primary markets across the United States of America ("**U.S.**"). With the objectives to achieve long-term growth in distributions per Unit and net asset value per Unit, Prime US REIT's well-diversified portfolio of stabilised income-producing office assets located in key U.S. office markets provides Unitholders with regular and stable distributions.

PORTFOLIO HIGHLIGHTS

11 PRIME U.S. OFFICE PROPERTIES

ALL **CLASS A** OFFICE PROPERTIES

100% FREEHOLD

96.7% PORTFOLIO OCCUPANCY[1]

3.4M SQ FT NET LETTABLE AREA

US$1.2B APPRAISED VALUE[2]

98.3% LEASES[3] WITH BUILT-IN RENTAL ESCALATION

5.5 YEARS WALE[4]

Tower I at Emeryville, San Francisco Bay Area, California

Tower 909, Dallas, Texas

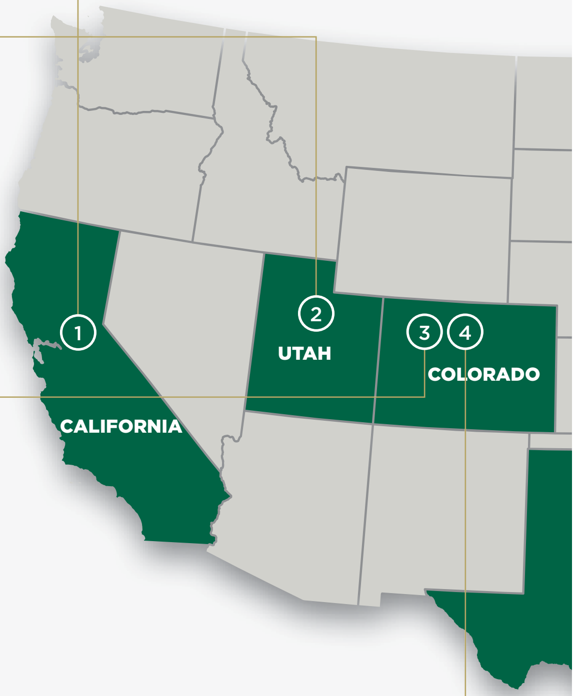
171 17th Street, Atlanta, Georgia

1 As at 1 January 2019.
2 The average of the two independent valuations by the Independent Valuers, Cushman & Wakefield Western, Inc. and JLL Valuation & Advisory Services, LLC, of each of the Properties as at 31 December 2018.
3 As at 1 January 2019, based on Cash Rental Income for the month of January 2019.
4 As at 1 January 2019, by NLA.

HIGH-QUALITY PRIME OFFICE PROPERTIES PORTFOLIO

TOWER I AT EMERYVILLE	
Primary Market	San Francisco Bay Area (Oakland)
Submarket	Oakland (North Alameda)
NLA (sq ft)	222,206
Appraised Value[1] (US$'m)	121.1
Occupancy[2] (%)	81.1

222 MAIN	
Primary Market	Salt Lake City
Submarket	Central Business District
NLA (sq ft)	426,657
Appraised Value[1] (US$'m)	211.3
Occupancy[2] (%)	97.2



VILLAGE CENTER STATION I	
Primary Market	Denver
Submarket	Southeast Suburban
NLA (sq ft)	234,915
Appraised Value[1] (US$'m)	89.2
Occupancy[2] (%)	96.8

VILLAGE CENTER STATION II	
Primary Market	Denver
Submarket	Southeast Suburban
NLA (sq ft)	325,576
Appraised Value[1] (US$'m)	144.6
Occupancy[2] (%)	100.0

PROMENADE I & II	
Primary Market	San Antonio
Submarket	West
NLA (sq ft)	205,773
Appraised Value[1] (US$'m)	72.8
Occupancy[2] (%)	99.8

1 Appraised value refers to the average of the two independent valuations on the property conducted by the Independent Valuers as at 31 December 2018. Occupancy figures
2 As at 1 January 2019.

DIVERSIFIED ACROSS 9 KEY U.S. OFFICE MARKETS

101 SOUTH HANLEY	
Primary Market	St. Louis
Submarket	Clayton
NLA (sq ft)	360,505
Appraised Value[1] (US$'m)	79.7
Occupancy[2] (%)	99.8

CROSSPOINT	
Primary Market	Philadelphia
Submarket	King of Prussia
NLA (sq ft)	272,360
Appraised Value[1] (US$'m)	97.7
Occupancy[2] (%)	100.0

ONE WASHINGTONIAN CENTER	
Primary Market	Washington D.C. Area (Suburban Maryland)
Submarket	Suburban Maryland (Gaithersburg)
NLA (sq ft)	314,284
Appraised Value[1] (US$'m)	102.1
Occupancy[2] (%)	96.2

RESTON SQUARE	
Primary Market	Washington D.C. Area (Suburban Virginia)
Submarket	Suburban Virginia (Reston)
NLA (sq ft)	138,995
Appraised Value[1] (US$'m)	51.0
Occupancy[2] (%)	96.9

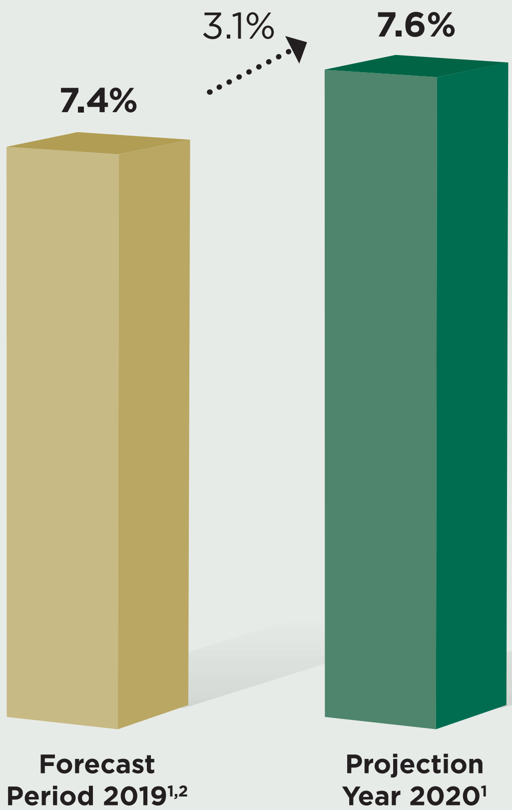
TOWER 909	
Primary Market	Dallas
Submarket	Las Colinas
NLA (sq ft)	374,251
Appraised Value[1] (US$'m)	76.3
Occupancy[2] (%)	90.9

171 17TH STREET	
Primary Market	Atlanta
Submarket	Midtown/Pershing/Brookwood
NLA (sq ft)	510,268
Appraised Value[1] (US$'m)	176.5
Occupancy[2] (%)	100.0

s refer to the occupancy rate as at 1 January 2019.

ATTRACTIVE RETURNS

Distribution Yield



Tower I at Emeryville, San Francisco Bay Area, California

171 17th Street, Atlanta, Georgia

Tower 909, Dallas, Texas

REIT SPONSOR

KBS Asia Partners

KBS Asia Partners Pte. Ltd.[3]

BENEFITS OF ASSOCIATION WITH KBS

KBS ONE OF THE LARGEST U.S. COMMERCIAL REAL ESTATE MANAGERS

- **US$25.9 billion** invested or managed nationwide since inception
- **US$38.7 billion** transactional volume since inception
- **158.6 million sq ft** acquired since inception
- **US$11.6 billion** currently under management

Information as at 31 December 2018.

REIT MANAGER:
KBS US PRIME PROPERTY MANAGEMENT PTE. LTD.[4]

KBS Asia Partners | Keppel Capital | sph[5] | EXPERION THE POSITIVE SIDE OF LIFE

1 Based on the Offering Price and the accompanying assumptions in the Prospectus. Such yield will vary accordingly for investors who purchase Units in the secondary market at a market price different from the Offering Price and such yield is not guaranteed.
2 Presented on an annualised basis.
3 Linda Bren 2017 Trust, a trust whose beneficiary is Linda Bren, the spouse of Peter M. Bren, indirectly holds a 33 1/3% interest in KBS Asia Partners Pte. Ltd. ("KAP") while Charles J. Schreiber Jr., indirectly holds a 33 1/3% interest in KAP. Peter M. Bren and Charles J. Schreiber, Jr. were the founding partners of KBS. KBS consists of KBS Realty Advisors, LLC and KBS Capital Advisors, LLC.
4 The REIT Manager is jointly owned by KAP (60%), Keppel Capital Two Pte. Ltd. (30%), a wholly-owned subsidiary of Keppel Capital Management Pte Ltd, and Experion Holdings Pte. Ltd. (10%), a wholly-owned subsidiary of AT Holdings Pte. Ltd.
5 Times Properties Private Limited, a wholly-owned subsidiary of SPH, has on 28 June 2019 entered into a call option agreement with KAP to acquire from KAP a 20% stake in the Manager after the Listing Date, subject to the approval of the MAS.

KEY INVESTMENT HIGHLIGHTS

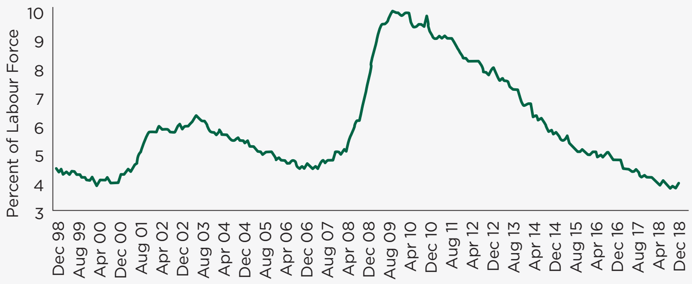
1. HIGH-QUALITY PORTFOLIO OF PRIME U.S. OFFICE PROPERTIES

PRIME PROPERTY PORTFOLIO

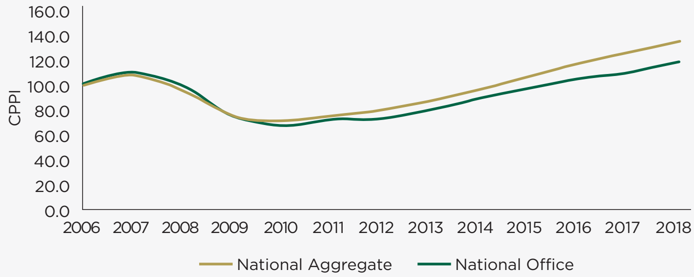
- 11 Class A office buildings, 100% freehold land title status and high occupancy
- Located in key business districts or prominent urban centres with mixed-use amenity rich environments, offering a ‘live-work-play’ environment that appeals to highly-skilled office workers
- 8 out of the 11 properties in the IPO Portfolio enjoy connectivity to the light rail network in their respective markets
- 10 out of 11 properties in the portfolio enjoy LEED and/or Energy Star ratings

STRONG FUNDAMENTALS OF THE U.S. ECONOMY

Unemployment rate at lowest levels since early 2000s
U.S. Unemployment Rate[1]



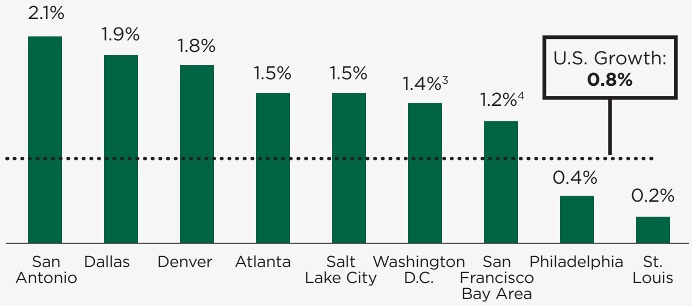
National office prices are at their highest since 2006
Moody’s / RCA Commercial Property Index[1,2]



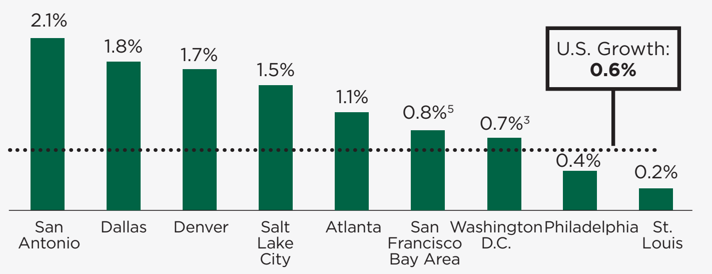
PORTFOLIO DIVERSIFIED ACROSS 9 KEY U.S. OFFICE MARKETS WITH STRONG UNDERLYING FUNDAMENTALS

- Located in key U.S. office markets with strong underlying fundamentals such as robust economic and employment growth, diverse pool of tenants from various trade sectors, highly educated workforce, robust transportation infrastructure and favourable demand/supply outlooks

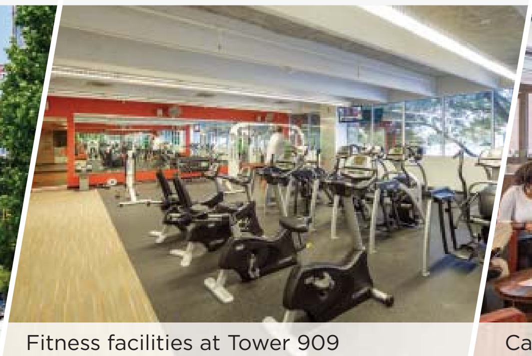
Strong Population Growth
Population Growth Rate
(2007–2017 Compounded Annual Growth Rate)[1]



Above Average Employment Growth
Total Employment Growth
(2007–2017 Compounded Annual Growth Rate)[1]




Transport amenities near 222 Main


Fitness facilities at Tower 909

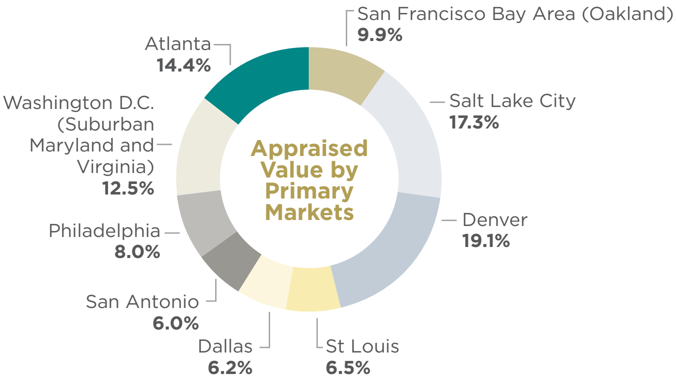

Café at 171 17th Street

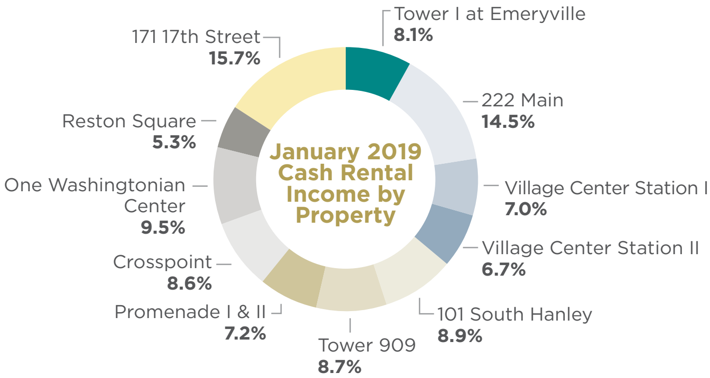
1 Source: Cushman.
2 National Aggregate and National Office reflects data through September 2018.
3 Includes suburban Maryland and Virginia.
4 Population growth for San Jose – San Francisco – Oakland CSA.
5 Employment growth for Oakland Metro Division.

2. STABLE AND RESILIENT PORTFOLIO

GEOGRAPHICALLY DIVERSIFIED EXPOSURE TO U.S. COMMERCIAL REAL ESTATE

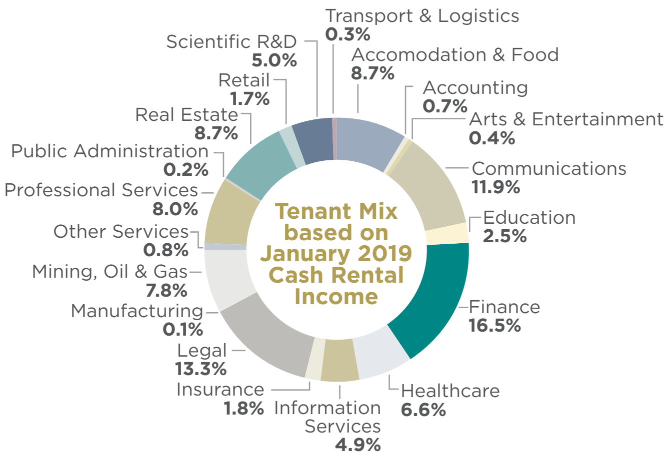
- Provides resilience in riding out different economic and property cycles across the various markets represented in the IPO Portfolio
- No single primary market contributes more than 19.1% to the Appraised Value of the IPO Portfolio as at 1 January 2019
- No single property contributes more than 15.7% to Cash Rental Income of the IPO Portfolio for the month of January 2019





DIVERSE INDUSTRY MIX WITH HIGH-QUALITY TENANT BASE

- Diversified tenant base comprising over 180 tenants[1] across diverse trade sectors with notable representation from financial, legal, real estate, technology and information services
- No single trade sector and no single tenant contributes more than 16.5% and 7.9% to the Cash Rental Income for the month of January 2019, respectively
- Top 10 tenants have long-tenured leases with a weighted average expiry of 6.7 years[1,2]

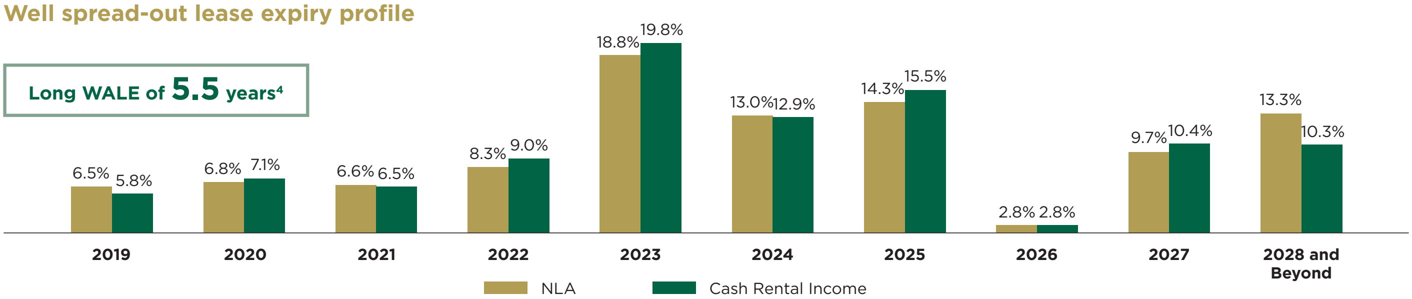


TOP 10 TENANTS IN IPO PORTFOLIO

Tenant	Industry Sector	Property	NLA (sq.ft)	WALE[1] (years)	% of Cash Rental Income[2]
Charter Communications	Communications	Village Center Station I & II	373,782	8.9	7.9%
Goldman Sachs	Finance	222 Main	177,206	6.4	6.0%
Sodexo Operations	Accommodation and Food	One Washingtonian Center	190,698	5.0	5.9%
Wells Fargo Bank	Finance	171 17th Street	156,104	6.2	5.0%
Holland & Hart	Legal	222 Main; Village Center Station I	114,103	7.4	4.7%
Arnall Golden Gregory	Legal	171 17th Street	122,240	5.8	3.9%
Whitney, Bradley & Brown	Professional Services	Reston Square	73,511	3.6	3.1%
Apache Corporation	Mining, Oil & Gas	Promenade	70,596	5.6	2.6%
Teleflex	Healthcare	CrossPoint	84,008	5.8	2.5%
Rovi Corporation	Information Services	CrossPoint	64,967	6.8	2.0%
		Total / Weighted Average	**1,427,215**	**6.7[3]**	**43.5%**

STABLE CONTRACTUAL LEASE EXPIRY PROFILE

Well spread-out lease expiry profile

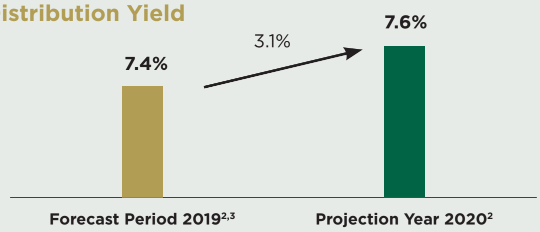


1 As of 1 January 2019.
2 Cash Rental Income for the month of January 2019.
3 Blended WALE based on NLA.
4 As at 1 January 2019, by NLA.

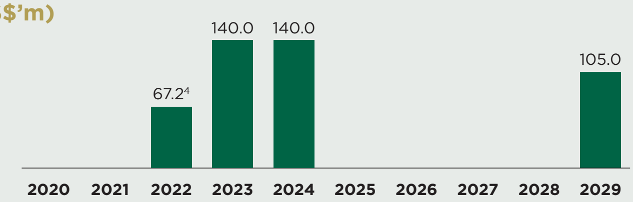
3. ATTRACTIVE DISTRIBUTIONS BACKED BY CONSERVATIVE CAPITAL STRUCTURE

- 97.6% and 91.6% of the Cash Rental Income for Forecast Period 2019 and Projection Year 2020 respectively is based on contractual leases[1], reflecting the stability of the portfolio and certainty of rental cashflows from the Properties
- Adequate financial flexibility and debt headroom of US$177.8 million to fund future growth with an average debt tenure of approximately 5.6 years

Distribution Yield



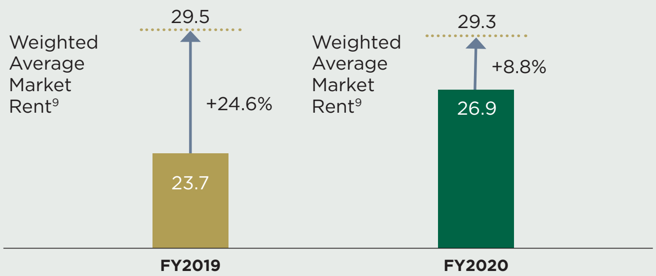
Expected Term Debt Maturity Profile (US$'m)



4. ORGANIC GROWTH THROUGH FAVOURABLE LEASE STRUCTURE

- 98.3% of contracted leases[5] have built-in escalation clauses on a fixed rate basis ranging between 1.0% and 3.0% on an annual fixed rate basis
- 96.9% of leases by NLA[6] are on triple-net or modified/full service gross basis, shielding the REIT from increases in real estate taxes and property expenses which are absorbed by or passed on to tenants
- Strong rental income reversion potential as the current weighted average rental rates on expiring leases are generally below the asking rents projected by Cushman in its appraisal reports

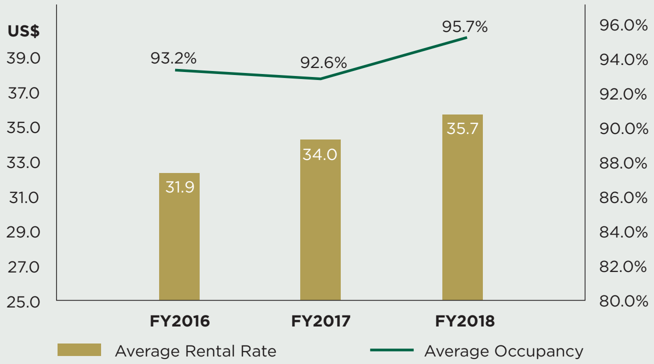
Weighted Average Contractual[7,8] vs Market Rents for Expiring Leases
(US$ per sq ft)



5. REPUTABLE PROMOTERS AND EXPERIENCED REIT MANAGEMENT TEAM

- Leverage on KBS RA's (the U.S. Asset Manager) proven ability to create value and elevate portfolio performance
- Inorganic growth potential through leveraging the well-established KBS platform in the U.S. and its deal sourcing, deal screening and deal execution capabilities
- Diverse and extensive experience of directors and management team in REIT and private property fund management, real estate investment, portfolio management, asset and property management, and finance

Prime US REIT Portfolio Rental Rates and Occupancy



1 As at 1 January 2019.
2 Based on the Offering Price and the accompanying assumptions in the Prospectus. Such yield will vary accordingly for investors who purchase Units in the secondary market at a market price different from the Offering Price and such yield is not guaranteed.
3 Presented on an annualised basis.
4 US$67.2 million due in 2022 is the amount drawn down at IPO from a US$100.0 million revolving credit facility.
5 As at 1 January 2019 based on Cash Rental Income for the month of January 2019.
6 As of 1 January 2019.
7 Weighted average contractual rental income is weighted based on NLA of expiring leases. It represents base rent which does not reflect expense reimbursements on full service gross leases.
8 Any in-place leases that do not have a matching reimbursement/lease structure with its respective market rent have been adjusted for expense reimbursements to match the reimbursement structure of the market rent, for comparison purposes only.
9 Weighted average market rent comprise the market rent forecast for each respective expiring lease space in the property's appraisal reports by Cushman.

IMPORTANT DATES & TIMES

INDICATIVE TIMETABLE	
Opening date and time for the Singapore Public Offer	8 July 2019 9.00 pm
Closing date and time for the Singapore Public Offer	15 July 2019 12.00 pm
Commence trading on the SGX-ST on a "ready" basis	19 July 2019 2.00 pm

HOW TO APPLY

Applications for the Singapore Public Offer can be made through:

- ATMs of DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited, and United Overseas Bank Limited
- Internet banking websites of DBS Bank Ltd. and Oversea-Chinese Banking Corporation Limited
- Mobile banking interface of DBS Bank Ltd.
- Printed WHITE Singapore Public Offer Units Application Form which forms part of the Prospectus

TABLE OF CONTENTS

	Page
NOTICE TO INVESTORS	ii
IMPORTANT NOTICE REGARDING THE OWNERSHIP OF UNITS	iv
FORWARD-LOOKING STATEMENTS	xi
CERTAIN DEFINED TERMS AND CONVENTIONS	xii
MARKET AND INDUSTRY INFORMATION	xiii
OVERVIEW	1
RISK FACTORS	59
USE OF PROCEEDS	85
OWNERSHIP OF THE UNITS	87
DISTRIBUTIONS	94
EXCHANGE RATE INFORMATION	97
CAPITALISATION AND INDEBTEDNESS	98
UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION	103
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	106
PROFIT FORECAST AND PROFIT PROJECTION	115
STRATEGY	129
BUSINESS AND PROPERTIES	138
THE MANAGER AND CORPORATE GOVERNANCE	188
THE SPONSOR	228
THE FORMATION AND STRUCTURE OF PRIME US REIT	230
CERTAIN AGREEMENTS RELATING TO PRIME US REIT AND THE PROPERTIES	250
OVERVIEW OF RELEVANT LAWS AND REGULATIONS IN THE UNITED STATES	264
TAXATION	271
PLAN OF DISTRIBUTION	288
CLEARANCE AND SETTLEMENT	308
EXPERTS	310
REPORTING AUDITOR	311
GENERAL INFORMATION	312
GLOSSARY	320
APPENDIX A- REPORTING AUDITOR'S REPORT ON THE PROFIT FORECAST AND PROFIT PROJECTION	A-1
APPENDIX B- REPORTING AUDITOR'S REPORT ON THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION	B-1
APPENDIX C- UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION	C-1
APPENDIX D- INDEPENDENT TAXATION REPORTS	D-1
APPENDIX E- INDEPENDENT PROPERTY VALUATION SUMMARY REPORTS	E-1
APPENDIX F- INDEPENDENT PROPERTY MARKET RESEARCH REPORT	F-1
APPENDIX G- TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION FOR AND ACCEPTANCE OF THE UNITS IN SINGAPORE	G-1
APPENDIX H- LIST OF PRESENT AND PAST PRINCIPAL DIRECTORSHIPS OF DIRECTORS AND EXECUTIVE OFFICERS	H-1
APPENDIX I- PROCEDURES FOR THE SUBMISSION OF US TAX FORMS	I-1
APPENDIX J- AIFMD DISCLOSURES	J-1

NOTICE TO INVESTORS

No person is authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of Prime US REIT, the Manager, the Trustee, the Sole Financial Adviser and Issue Manager, the Joint Bookrunners or the Sponsor. If anyone provides you with different or inconsistent information, you should not rely upon it. The delivery of this Prospectus or any offer, subscription, sale or transfer made pursuant to this Prospectus shall not under any circumstances imply that the information in this Prospectus is correct or constitute a representation that there has been no change or development reasonably likely to involve a material adverse change in the business affairs, conditions and prospects of Prime US REIT, the Manager, the Trustee, the Units or the Sponsor subsequent to the date of this Prospectus. Where such changes occur and are material or required to be disclosed by law, the SGX-ST and/or any other regulatory or supervisory body or agency, or if the Manager otherwise determines, the Manager will make an announcement of the same to the SGX-ST and, if required, lodge and issue an amendment to this Prospectus or a supplementary document or replacement document pursuant to Section 296 of the Securities and Futures Act or, as the case may be, Section 298 of the Securities and Futures Act and take immediate steps to comply with the said Sections. You should take notice of such announcements and documents and upon release of such announcements and documents and you shall be deemed to have notice of such changes.

In connection with Section 309B of the Securities and Futures Act and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined the classification of the Units as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04- N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

None of Prime US REIT, the Manager, the Trustee, the Sole Financial Adviser and Issue Manager, the Joint Bookrunners and the Sponsor or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers is making any representation or undertaking to any purchaser or subscriber of Units regarding the legality of an investment by such purchaser or subscriber under appropriate legal, investment or similar laws. In addition, you should not construe the contents of this Prospectus as legal, business, financial or tax advice. You should be aware that you may be required to bear the financial risks of an investment in the Units for an indefinite period of time. You should consult your professional advisers as to the legal, tax, business, financial and related aspects of an investment in the Units.

Copies of this Prospectus and the Application Forms may be obtained on request, subject to availability, during office hours, from:

DBS Bank Ltd.	**Merrill Lynch (Singapore) Pte. Ltd.**	**China International Capital Corporation (Singapore) Pte. Limited**	**Credit Suisse (Singapore) Limited**	**Maybank Kim Eng Securities Pte. Ltd.**	**Oversea-Chinese Banking Corporation Limited**
12 Marina Boulevard Level 3 DBS Asia Central @ Marina Bay Financial Centre Tower 3 Singapore 018982	50 Collyer Quay, #14-01 OUE Bayfront Singapore 049321	6 Battery Road, #33-01, Singapore 049909	One Raffles Link #03/#04-01 South Lobby Singapore 039393	50 North Canal Road, #03-01 Singapore 059304	65 Chulia Street OCBC Centre Singapore 049513

A copy of this Prospectus is also available on the SGX-ST website: http://www.sgx.com.

The distribution of this Prospectus and the offering, subscription, purchase, sale or transfer of the Units in certain jurisdictions may be restricted by law. Prime US REIT, the Manager, the

Trustee, the Sole Financial Adviser and Issue Manager, the Joint Bookrunners and the Sponsor require persons into whose possession this Prospectus comes to inform themselves about and to observe any such restrictions at their own expense and without liability to Prime US REIT, the Manager, the Trustee, the Sole Financial Adviser and Issue Manager, the Joint Bookrunners and the Sponsor. This Prospectus does not constitute, and the Manager, the Trustee, the Sole Financial Adviser and Issue Manager, the Joint Bookrunners and the Sponsor are not making, an offer of, or an invitation to subscribe for or purchase, any of the Units in any jurisdiction in which such offer or invitation would be unlawful. You shall not circulate to any other person, reproduce or otherwise distribute this Prospectus or any information herein for any purpose whatsoever nor permit or cause the same to occur.

In connection with the Offering, the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) may, in consultation with the other Joint Bookrunner and at its discretion, over-allot or effect transactions which stabilise or maintain the market price of the Units at levels that might not otherwise prevail in the open market. However, there is no assurance that the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) will undertake stabilising action. (See “Plan of Distribution – Over-Allotment and Stabilisation” for further details.)

IMPORTANT NOTICE REGARDING THE OWNERSHIP OF UNITS

Restriction on ownership of Units in excess of 9.8% of the outstanding Units

Unitholders of Prime US REIT ("**Unitholders**") and all other persons are prohibited from directly or indirectly owning in excess of 9.8% of the outstanding Units (the "**Unit Ownership Limit**"), subject to any increase or waiver pursuant to the terms of the Trust Deed (as defined herein) and on the recommendation of the Manager[1]. This prohibition is intended to preserve the REIT status of the Parent U.S. REIT (as defined herein) and facilitate the availability of the U.S. Portfolio Interest Exemption (as defined herein). The Trust Deed provides that Units held directly or indirectly by any person in excess of the Unit Ownership Limit will be automatically forfeited and held by the Trustee ("**Automatic Forfeiture**"). While forfeited Units are held by the Trustee, all rights attributable to those Units, such as the right to vote and the right to receive distributions, will be held by the Trustee; the Unitholder from whom the Units are forfeited shall have no right to vote or receive distributions arising from such Units. The Trustee (on the recommendation of the Manager) will have the right and power to dispose of Units subject to Automatic Forfeiture, and upon such disposal the Unitholder from whom the Units are forfeited will receive the proceeds (net of any commissions and expenses) from the disposition, but not in excess of (a) the price paid by such Unitholder for the forfeited Units or (b) if such Unitholder did not give value for the forfeited Units in connection with the event causing the Units to be forfeited (e.g. in the case of a gift, a non-pro rata Unit buy-back, a non-pro rata Unit consolidation or other corporate action where no acquisition or transfer of Units by a Unitholder takes place but has the result of increasing a Unitholder's proportionate unitholdings), the market price of the Units on the day of the event causing the Automatic Forfeiture, in each case less certain distributions received by the Unitholder. Any excess shall be donated by the Trustee to a charitable, philanthropic or benevolent organisation or purpose nominated by the Manager. If, prior to the discovery by the Trustee that Units are subject to Automatic Forfeiture, such Units are sold by the Unitholder, then such Units shall be deemed to have been sold on behalf of the Trustee and to the extent that such Unitholder received an amount in excess of the amount which it would otherwise have been entitled to. Any excess shall be paid to the Trustee upon demand to be donated to a charitable, philanthropic or benevolent organisation or purpose nominated by the Manager.

For the avoidance of doubt, the Automatic Forfeiture is effective automatically, whether or not the Trustee or the Manager is aware of the change in ownership or aware of the fact that the Unit Ownership Limit has been breached and without any requirement for notice by the Trustee or the Manager. Unitholders are advised to manage their interests in the Units so as not to breach the Unit Ownership Limit and trigger the Automatic Forfeiture.

The Trustee, acting on the recommendation of the Manager, will also have the right and power to grant either retroactive or prospective waivers from Automatic Forfeiture. A retroactive waiver will render any Automatic Forfeiture void and will restore, as far as possible, the Unitholder whose Units were forfeited to a position that it would have been in had there been no Automatic Forfeiture. Before a waiver is granted, the Trustee and the Manager must be satisfied (and in this respect the Trustee may act on the recommendation and rely on information provided by the Manager) that ownership of such Units will not cause any subsidiary or associate of Prime US REIT to fail to qualify as a real estate investment trust ("**REIT**") for U.S. federal income tax purposes (a "**U.S. REIT**") where such subsidiary or associate would otherwise qualify. In this regard, a potential investor seeking a prospective waiver may be required to provide (i) additional representations, undertakings, a United

[1] The determination of the Units held by a person for purposes of the Unit Ownership Limit is computed pursuant to the rules of the United States Internal Revenue Code of 1986, as amended ("**IRC**") which includes rules relating to Beneficial Ownership (through the application of Section 544 of the IRC, as modified by Section 856(h) of the IRC, and as defined therein) and Constructive Ownership (through the application of Section 318(a) of the IRC, as modified by Section 856(d)(5) of the IRC, and as defined therein) which could be different from interests in Units as determined pursuant to the SFA.

States Internal Revenue Service ("**IRS**") ruling and/or legal opinion to satisfy the Trustee and the Manager that Prime US REIT's wholly-owned U.S. REIT subsidiary, Prime US-Sub REIT, Inc. (the "**Parent U.S. REIT**"), will continue to maintain its qualification as an U.S. REIT despite the potential investor's proposed ownership and (ii) an acknowledgement and consent to the loss of the U.S. Portfolio Interest Exemption. The Trustee shall grant a waiver from Automatic Forfeiture upon application by an Exempted Offeror[1], without any recommendation from the Manager or any representations and undertakings being required, upon application for waiver from an Exempted Offeror. The Trustee (on the recommendation of the Manager) will exercise its discretion to grant waivers except to the extent that the proposed ownership would in fact impact the Parent U.S. REIT's qualification as an U.S. REIT. The Trustee, acting on the recommendation of the Manager, may also increase the Unit Ownership Limit for a Unitholder (including on a retroactive basis to remediate an Automatic Forfeiture) where such an increase would not adversely affect the U.S. REIT status of the Parent U.S. REIT. The Trustee shall not be required to give any reason for, and shall not under any circumstance be liable to or be responsible for any losses incurred by, any person as a result of, any decision, declaration or action taken or made in this regard. (See "The Formation and Structure of Prime US REIT – The Trust Deed – Restriction on Ownership of the Units" and "Taxation – U.S. Federal Income Tax Overview – U.S. Federal Income Taxation of the Parent U.S. REIT" for further details.)

In this regard, KBS REIT Properties III will own a 24.7% interest in Prime US REIT. (See "Ownership of the Units – Principal Unitholders of Prime US REIT and their Unitholdings" for further details.) The Trustee (on the recommendation of the Manager) has granted KBS REIT Properties III a waiver from the Automatic Forfeiture for it to hold up to a 26.0% interest in Prime US REIT on the basis that (i) as advised by the Independent U.S. Tax Adviser, such waiver shall not affect the Parent U.S. REIT's qualification as an U.S. REIT for U.S. federal income tax purposes since KBS REIT Properties III is indirectly wholly-owned by KBS REIT III, a Maryland corporation that qualifies as a U.S. REIT for U.S. federal income tax purposes; and (ii) KBS REIT Properties III has provided the Trustee with an acknowledgement letter consenting to the potential loss of the U.S. Portfolio Interest Exemption. The Automatic Forfeiture provision, in part, protects the Parent U.S. REIT from being closely held (a U.S. REIT cannot be held more than 50% by five or fewer individuals). The waiver is appropriate as KBS REIT III (the owner of 100% of the indirect interests in KBS REIT Properties III) is itself a U.S. REIT that is not closely held and thus compliant with the U.S. REIT rules with respect to diversity of ownership, and in this regard, KBS REIT III's charter prohibits any person or group of persons from acquiring, directly or indirectly, beneficial or constructive ownership of more than 9.8% of its aggregate outstanding shares unless exempted by KBS REIT III's board of directors. KBS REIT III's board of directors may waive this ownership limit with respect to a particular person if KBS REIT III's board receives evidence that ownership in excess of the limit will not jeopardise its U.S. REIT status. Any attempted transfer of KBS REIT III's shares that, if effective, would result in a violation of KBS REIT III's ownership limit will be null and void and will cause the number of shares causing the violation to be automatically transferred to a trust for the exclusive benefit of one or more charitable beneficiaries. For the avoidance of doubt, the potential loss of the U.S. Portfolio Interest Exemption for KBS REIT Properties III has no impact on other Unitholders, as this relates to distributions solely to KBS REIT Properties III and not the other Unitholders. In addition, the increase in the unitholding of KBS REIT Properties III would not affect the unitholding level which other Unitholders can hold (i.e. there is no reduction of the Unit Ownership Limit). Accordingly, there are no negative implications to Prime US REIT or Parent U.S. REIT arising from KBS REIT Properties III's 24.7% interest in Prime US REIT, which is above the Unit Ownership Limit, and the potential loss of the U.S. Portfolio Interest Exemption for KBS REIT Properties III for the reasons set

[1] An "**Exempted Offeror**" means an offeror for the purposes of Take-Over Code, who has (i) made a general offer in accordance with the Take-over Code for all the Units in Prime US REIT which it does not own, control or agreed to be acquired by it and its concert parties (as such term is used in the Take-over Code), (ii) received acceptances of the offeror's general offer which exceeded the threshold required under section 295A of the SFA, such that it acquires the right to compulsorily acquire Units from those Unitholders who have not accepted the offeror's general offer as at the closing date of such offer, and (iii) exercised or publicly announced that it undertakes to exercise its rights to acquire the Units of such dissenting Unitholders.

out in the foregoing. There is no maximum unitholding by KBS REIT Properties III that would negatively affect the Parent U.S. REIT's qualification as a U.S. REIT.

Regardless of KBS REIT III's qualification as a U.S. REIT, the Unit Ownership Limit waiver of KBS REIT Properties III contains, among others, a representation that there is no individual (including after application of the attribution rules) owning a direct or indirect interest of more than 9.8% in KBS REIT Properties III. In order for the Unit Ownership Limit waiver to remain effective, these representations must remain true. In the event they are no longer true, the Automatic Forfeiture provisions will automatically and retroactively protect the U.S. REIT status of Parent U.S. REIT. Any increase in the Unit Ownership Limit of KBS REIT Properties III will be subject to a re-assessment of the waiver by the Trustee. The basis of any such waiver would be on the same or similar representations regarding ownerships as discussed herein and would likely be granted as long as there would not be any negative U.S. federal income tax consequences to Prime US REIT or the Parent U.S. REIT's qualification as a U.S. REIT. Such an increased waiver, the basis of such waiver and any U.S. federal income tax consequences to Prime US REIT or the Parent U.S. REIT's qualification as a U.S. REIT would be announced by the Manager.

Similar Unit Ownership Limit waivers would be granted to other Unitholders seeking a waiver on the same basis, and with the same automatic and retroactive protections, provided that the Trustee and the Manager are satisfied that ownership of the Units will not cause any subsidiary or associate of Prime US REIT to fail to qualify as a U.S. REIT for U.S. federal income tax purposes where such subsidiary or associate would otherwise qualify.

The Manager and the Trustee propose to adopt the following procedures to monitor compliance with the Unit Ownership Limit:

- **Identification of Substantial Unitholders:** The Manager and the Trustee intend to rely on the existing disclosure regime under the SFA to identify Unitholders who may be at risk of exceeding the Unit Ownership Limit. Pursuant to Section 137U of the SFA, a Unitholder:

  (i) that becomes or ceases to become a Substantial Unitholder (as defined herein) of Prime US REIT; and

  (ii) that is a Substantial Unitholder, and is made aware of a change in the percentage level of its interest or interests in Prime US REIT,

  is under a duty to notify Prime US REIT of the nature and extent of its interest in Prime US REIT. Further, pursuant to Section 137X of the SFA, the Trustee has the power, *inter alia*, to require a Unitholder to specify whether it holds the Units as a beneficial owner or trustee and to indicate, as far as it can, the persons for whom it holds the interest and the nature of their interest.

- **Notice to Substantial Unitholders:** A notice will be sent to a Substantial Unitholder who has notified Prime US REIT pursuant to the SFA disclosure regime informing the Substantial Unitholder of the Unit Ownership Limit and the consequences of exceeding the Unit Ownership Limit and the Manager may request additional information regarding such Substantial Unitholder's indirect ownership of Units. Substantial Unitholders are advised to manage their interests in the Units so as not to breach the Unit Ownership Limit and trigger the Automatic Forfeiture. On a fortnightly basis, the Manager also intends to review Prime US REIT's Register of Holders and Depository Register to identify any Unitholders whose Units have been subject to Automatic Forfeiture and send the Notice of Automatic Forfeiture to such Unitholder(s) within five business days. Where the aggregate holdings of a depository agent approach 9.8% of the outstanding Units, the Manager intends to send a request to the depository agent to (a) provide details of the holdings of its beneficial owners and (b) notify the Manager if any of its beneficial owners holds an interest in more than 9.8% of the outstanding Units. Any person who acquires or attempts or intends to acquire direct or indirect ownership of Units that will or may violate the Unit Ownership Limit must give immediate written notice to the Manager at least 15 days prior to a proposed or intended acquisition or, if later, immediately after becoming aware of the acquisition or proposed acquisition. Such person may be requested to provide such other information as may be requested by the Manager in order to determine the effect of such acquisition or proposed acquisition on the qualification of Parent U.S. REIT.

- **Notice of Automatic Forfeiture:** In the event that a Unitholder's direct or indirect ownership of Units exceeds the Unit Ownership Limit and where the Trustee (on the recommendation of the Manager) declines to grant a retroactive waiver from Automatic Forfeiture in accordance with the Trust Deed, a notice will be sent by the Manager to the Unitholder informing it of the Automatic Forfeiture and that instructions will be sent to The Central Depository Pte. Ltd. ("**CDP**") for the forfeited Units to be transferred.

- **CDP Transfer Instruction:** Following the issuance of the Notice of Automatic Forfeiture, the Trustee (on the recommendation of the Manager) will provide written instruction to CDP to transfer the Units subject to Automatic Forfeiture to a holding account controlled by the Trustee and CDP shall act on the Trustee's instructions. The Trustee (on the recommendation of the Manager) will appoint a broker-dealer who will arrange for the Units subject to Automatic Forfeiture to be sold on-market.

- **Remittance of Proceeds:** Upon disposal of Units subject to Automatic Forfeiture, the Trustee will, through CDP, remit the proceeds (if any) from such disposal to the Unitholder from whom the disposed Units were forfeited.

In relation to the foregoing, the Trustee and the Manager shall:

(a) indemnify CDP and hold CDP harmless against all claims, demands, losses and liabilities, for which CDP may become liable, arising out of or in connection with CDP accepting or acting on any instructions from the Trustee for the sale of the Units subject to Automatic Forfeiture; and

(b) further agree that CDP shall not be liable for any claims, demands, losses and liabilities, including loss of profits, goodwill or any type of special, indirect or consequential loss or damages, for which the Trustee or Prime US REIT may become liable, arising out of or in connection with CDP accepting or acting on a CDP Transfer Instruction,

provided that such losses had not arisen or been caused by CDP's negligence or wilful misconduct.

For the avoidance of doubt, provided that reasonably satisfactory evidence has been provided to CDP upon its request for additional information for clarification (if any), CDP shall have no obligation to verify that the depositors in a CDP Transfer Instruction are in breach of the Unit Ownership Limit, prior to the transfer of the Units subject to Automatic Forfeiture pursuant to a CDP Transfer Instruction.

Investors should note that the above procedures which make use of the determination of interests pursuant to the SFA disclosure regime are used by the Manager to monitor compliance with the Unit Ownership Limit only, but the determination of the Units held by a person for the purposes of the Unit Ownership Limit is computed pursuant to the rules of the

United States Internal Revenue Code of 1986, as amended ("**IRC**") which includes rules relating to Beneficial Ownership (through the application of Section 544 of the IRC, as modified by Section 856(h) of the IRC, and as defined therein) and Constructive Ownership (through the application of Section 318(a) of the IRC, as modified by Section 856(d)(5) of the IRC, and as defined therein) which could be different from interests in Units as determined pursuant to the SFA. Unitholders should consult their own legal and tax advisers regarding the application of the rules of the IRC in relation to the restriction on ownership of Units in excess of 9.8% of the outstanding Units.

The Manager and Trustee are of the view that no Unitholder would suffer any prejudice in connection with the Automatic Forfeiture and subsequent disposal of the Units subject to Automatic Forfeiture as such Unitholder will be entitled to receive the proceeds (net of any commissions and expenses) from the disposition, but not in excess of (a) the price paid by such Unitholder for the forfeited Units or (b) if such Unitholder did not give value for the forfeited Units in connection with the event causing the Units to be forfeited (e.g. in the case of a gift, a non-pro rata Unit buy-back, a non-pro rata Unit consolidation or other corporate action where no acquisition or transfer of Units by a Unitholder takes place but has the result of increasing a Unitholder's proportionate unitholdings), the market price of the Units on the day of the event causing the Automatic Forfeiture, in each case less certain distributions received by the Unitholder. The Trustee has the right to terminate the Automatic Forfeiture mechanism once the Trustee (on the recommendation of the Manager) determined that maintaining restrictions on beneficial ownership, constructive ownership and transfer of units is no longer in the best interest of Prime US REIT.

Distributions will be reduced if Unitholder does not submit required US Tax Forms

You must comply with certain documentation requirements in order to be exempted from withholding tax under the IRC, including under the United States Foreign Account Tax Compliance Act ("**FATCA**"). Specifically, you must establish (i) your status for FATCA purposes by providing an applicable IRS Form W-8 and/or such other certification or other information related to FATCA that is requested from time to time and (ii) your eligibility for the U.S. Portfolio Interest Exemption by providing an applicable IRS Form W-8 and a U.S. Tax Compliance Certificate in the form set forth in Appendix I and/or other information related to such exemption that is requested from time to time. You must also provide updates of any changes to your status for FATCA purposes including information relating to your name, address, citizenship, personal identification number or tax identification number, tax residencies, and tax status. Such information may be disclosed or reported to the IRS, the Inland Revenue Authority of Singapore ("**IRAS**") or other applicable tax or regulatory authorities for the purpose of compliance with FATCA. If you fail to provide or to update relevant information necessary for compliance with U.S. tax withholding requirements, including FATCA, or provide inaccurate, incomplete or false information, amounts payable by Prime US REIT to you may be subject to deduction or withholding in accordance with U.S. tax law and any intergovernmental agreements.

Boardroom Corporate & Advisory Services Pte. Ltd, the Unit Registrar of Prime US REIT, will dispatch US Tax forms and certifications to Unitholders who do not have valid documentation on file prior to Prime US REIT making any Distributions to Unitholders.

As an illustration, if you invest US$1,000 in Prime US REIT, you would receive 1,136 Units based on the Offering Price of US$0.88. If Prime US REIT were to declare a distribution of 4.87 U.S. cents per Unit for the period from 1 April 2019 to 31 December 2019 ("**Forecast Period 2019**") and a distribution of 6.70 U.S. cents per Unit for the year from 1 January 2020 to 31 December 2020 ("**Projection Year 2020**"), the net amount you would receive from such distributions would vary depending on whether the required documentation or information is duly completed and received by Prime US REIT as follows:

No.	Documentation/Other Information	Return of Capital and Distribution Paid
1	Duly completed, demonstrates eligibility for the U.S. Portfolio Interest Exemption, establishes FATCA status, and received by the Manager	4.87 U.S. cents per Unit (or its equivalent amount in Singapore dollars) for Forecast Period 2019, and 6.70 U.S. cents per Unit (or its equivalent amount in Singapore Dollars) for Projection Year 2020.
2	Failure to provide documentation or other information to the Manager or information provided to the Manager is inaccurate, incomplete or false(1)	3.85 U.S. cents per Unit (or its equivalent amount in Singapore dollars) for Forecast Period 2019, and 5.35 U.S. cents per Unit (or its equivalent amount in Singapore Dollars) for Projection Year 2020.

Note:

(1) Assumes that a 30% U.S. withholding tax is applied on the portion of the distribution received through interest paid by Parent U.S. REIT to Singapore Sub 2. The projected distribution also includes cash received through repayment of capital by Parent U.S. REIT to Singapore Sub 1.

Subject to specified limitations, the amount of any tax withheld generally will be creditable against the US federal income tax liability of the beneficial owner of the Units, and such person may file for a refund from the IRS of any amount of withheld tax in excess of that tax liability, provided that the applicable withholding agent has properly deposited the withheld tax with the IRS. However, such withheld amounts may not be refunded by the IRAS or other applicable non-U.S. tax or regulatory authorities. (See "Overview of Relevant Laws and Regulations in the United States – FATCA Rules", "Taxation – U.S. Federal Income Tax Overview – U.S. Federal Income Taxation of Interest Payments from the Parent U.S. REIT to Singapore Sub 2 – Considerations Affecting Unitholders" and Appendix I for further details.)

Notice to Potential Unitholders Subject to U.S. Taxation

An investment in Units may not be suitable for U.S. persons, persons for which such investment would be effectively connected with a U.S. trade or business (or a permanent establishment under an applicable tax treaty), or persons that would otherwise be subject to U.S. taxation on their investment in Units. Such persons should consult their own tax advisers before investing in the Units.

Personal Data Protection Act

For the purposes of the Personal Data Protection Act 2012 of Singapore ("**PDPA**"), you consent and acknowledge that all Personal Data (as defined in the PDPA) provided by you to the Manager, the Trustee, Prime US REIT, the Sole Financial Adviser and Issue Manager, the Joint Bookrunners or any of their respective agents, may be collected, used, disclosed or otherwise processed in order for the Manager, the Trustee, Prime US REIT, the Sole Financial Adviser and Issue Manager, the Joint Bookrunners or any of their respective agents, to carry out their respective duties and obligations in relation to any investment by the Unitholder into Prime US REIT, for each of the purposes as set out in this section or as may be permitted under the PDPA.

Where any Personal Data relating to any third-party individuals has been provided by you to the Manager, the Trustee, Prime US REIT, the Joint Bookrunners or any of their respective agents, you warrant and represent that you have:

(a) informed such individuals that Personal Data relating to them has been or will be disclosed to the Manager, the Trustee, Prime US REIT, the Joint Bookrunners or any of their respective agents;

(b) informed such individuals that their Personal Data will be collected, held, used, disclosed, transferred or otherwise processed by the Manager, the Trustee, Prime US REIT, the Joint Bookrunners or any of their respective agents to carry out their respective duties and obligations in relation to any investment by the Unitholder into Prime US REIT, and for each of the purposes as set out in this section or as may be permitted under the PDPA; and

(c) obtained the consent of all such individuals for the foregoing.

FORWARD-LOOKING STATEMENTS

Certain statements in this Prospectus constitute "forward-looking statements". This Prospectus also contains forward-looking financial information in "Profit Forecast and Profit Projection". Such forward-looking statements and financial information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Prime US REIT, the Manager, the Sponsor or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements and financial information. Such forward-looking statements and financial information are based on numerous assumptions regarding the Manager's present and future business strategies and the environment in which Prime US REIT, the Manager or the Sponsor will operate in the future. Because these statements and financial information reflect the current views of the Manager and the Sponsor concerning future events, these statements and financial information necessarily involve risks, uncertainties and assumptions. Actual future performance could differ materially from these forward-looking statements and financial information. You should not place any undue reliance on these forward-looking statements.

Among the important factors that could cause the actual results, performance or achievements of Prime US REIT, the Manager or the Sponsor to differ materially from those in the forward-looking statements and financial information are the conditions of, and changes in, the domestic, regional and global economies, including, but not limited to, factors such as political, economic and social conditions in Singapore and the United States; changes in government laws and regulations affecting Prime US REIT including anticipated changes to the relevant U.S. tax law, in particular under Section 267A of the IRC and/or the associated regulations or other guidance; competition in the property markets of the United States in which Prime US REIT may invest; changes in currency exchange rates, interest rates or inflation; relations with service providers or lenders; occurrence of hostilities (including future terrorist attacks); the performance and reputation of Prime US REIT's properties and/or acquisitions; difficulties in identifying future acquisitions or in completing and integrating acquisitions; changes in the Manager's directors and executive officers; risks related to natural disasters, general volatility of the capital markets relating to the property market in which Prime US REIT may invest and the market price of the Units; as well as other matters not yet known to the Manager or not currently considered material by the Manager.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "Risk Factors", "Profit Forecast and Profit Projection", and "Business and Properties". These forward-looking statements and financial information speak only as at the date of this Prospectus. The Manager expressly disclaims any obligation or undertaking to release publicly any updates of or revisions to any forward-looking statement or financial information contained herein to reflect any change in the expectations of the Manager or the Sponsor with regard thereto or any change in events, conditions or circumstances on which any such statement or information is based, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other relevant regulatory or supervisory body or agency.

CERTAIN DEFINED TERMS AND CONVENTIONS

In this Prospectus, references to "S$", "SGD" or "Singapore dollars" and "cents" are to the lawful currency of the Republic of Singapore and references to "U.S. dollar", "USD", "US$" or "U.S. cent" are to the lawful currency of the United States of America ("**U.S.**" or "**United States**").

However, such translations should not be construed as representations that U.S. dollar amounts have been, could have been or could be converted into Singapore dollars at that or any other rate (see "Exchange Rate Information").

Unless otherwise defined, capitalised terms used in this Prospectus shall have the meanings set out in the Glossary.

The forecast and projected distribution per Unit ("**DPU**") yields are calculated based on the Offering Price and assumed exchange rates as set out in this Prospectus. Such yields and yield growth will vary accordingly for investors who purchase Units in the secondary market at a market price different from the Offering Price, and according to differences between actual and assumed exchange rates.

Any discrepancies in the tables, graphs and charts included in this Prospectus between the listed amounts and totals thereof are due to rounding. Where applicable, figures and percentages are rounded to one decimal place. Measurements in square metres ("**sq m**") are converted to square feet ("**sq ft**") and *vice versa* based on the conversion rate of 1 sq m = 10.7639 sq ft. References to "Appendix" or "Appendices" are to the appendices set out in this Prospectus. All references in this Prospectus to dates and times shall mean Singapore dates and times unless otherwise specified.

All references to the names of the tenants of the IPO Portfolio (as defined herein) are to the trade names under which the respective tenants carry on business under. Unless otherwise specified, all information relating to the Properties (as defined herein) in this Prospectus are as at 1 January 2019. See "Business and Properties" for details regarding the Properties.

All references to "**Appraised Value**" mean the average of the two independent valuations by the Independent Valuers (as defined herein) of each of the Properties as at 31 December 2018. "**Occupancy rate**" figures are calculated in terms of net lettable area ("**NLA**"). The NLA figures may differ from the figures used in the Independent Property Valuation Summary Reports as set out in Appendix E of this Prospectus as well as the full appraisal reports for each of the Properties due to different measurement standards employed from time to time. "**Committed occupancy**" figures include leases that have been executed but have yet to commence their lease period as of the date mentioned.

MARKET AND INDUSTRY INFORMATION

This Prospectus includes market and industry data and forecasts that have been obtained from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications, surveys and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such information. The Manager has commissioned Cushman & Wakefield Western, Inc. (the "**Independent Market Research Consultant**" or "**Cushman**") to prepare the "Independent Property Market Research Report". (See Appendix F, "Independent Property Market Research Report" for further details). While the Manager has taken reasonable steps to ensure that the information is extracted accurately and in its proper context, the Manager has not independently verified any of the data from third party sources or ascertained the underlying economic assumptions relied upon therein. Consequently, none of Prime US REIT, the Manager, the Trustee, the Sponsor, the Sole Financial Adviser and Issue Manager and the Joint Bookrunners makes any representations as to the accuracy or completeness of such information, and each of them shall not be held responsible in respect of any such information and shall not be obliged to provide any updates on the same.

The Manager and the Trustee have appointed JLL Valuation & Advisory Services, LLC ("**JLL**") and Cushman (together with JLL, the "**Independent Valuers**") as the valuers of the Properties. (See Appendix E, "Independent Property Valuation Summary Reports" for further details).

OVERVIEW

*The following section is qualified in its entirety by, and is subject to, the more detailed information contained or referred to elsewhere in this Prospectus. The meanings of terms not defined in this section can be found in the Glossary or in the trust deed constituting Prime US REIT dated 7 September 2018 (and as may be amended, varied or supplemented from time to time) (the "**Trust Deed**"). A copy of the Trust Deed can be inspected at the principal place of business of the Manager, which is located at 1 Raffles Place, #40-01 One Raffles Place, Singapore 048616 (prior appointment would be appreciated).*

Statements contained in this section that are not historical facts may be forward-looking statements or are historical statements reconstituted on a pro forma basis. Such statements are based on certain assumptions and are subject to certain risks and uncertainties which could cause actual results of Prime US REIT to differ materially from those forecast or projected (see "Forward-Looking Statements" for further details). Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by Prime US REIT, the Manager, the Trustee, the Sole Financial Adviser and Issue Manager, the Joint Bookrunners, the Sponsor or any other person or that these results will be achieved or are likely to be achieved. Investing in the Units involves risks. Prospective investors are advised not to rely solely on this section, but to read this Prospectus in its entirety and, in particular, the sections from which the information in this section is extracted and "Important Notice Regarding the Ownership of Units" and "Risk Factors" to better understand the Offering and Prime US REIT's businesses and risks, including in relation to the Unit Ownership Limit.

OVERVIEW OF PRIME US REIT

Prime US REIT is a Singapore REIT established with the principal investment strategy of investing, directly or indirectly, in stabilised income-producing office assets, and real estate related assets, in the United States of America ("**U.S.**").

Key Objectives

Prime US REIT's key objectives are to provide Unitholders with regular and stable distributions and to achieve long-term growth in distribution per Unit ("**DPU**") and net asset value ("**NAV**") per Unit, while maintaining an appropriate capital structure.

IPO Portfolio

The initial portfolio of Prime US REIT (the "**IPO Portfolio**") consists of 11 office properties (the "**Properties**") located across the United States, with an Appraised Value of US$1,222 million and an aggregate NLA of 3.4 million sq ft. The aggregate purchase consideration payable by Prime US REIT for the IPO Portfolio is US$1,222 million.

IPO Portfolio

# Denotes number of properties in the respective primary office market within the IPO portfolio.

	Name of Building	State	Primary Market(1)	SubMarket(1)
1	Tower I at Emeryville	California	San Francisco Bay Area (Oakland)	Oakland (North Alameda)
2	222 Main	Utah	Salt Lake City	CBD
3	Village Center Station I	Colorado	Denver	Southeast Suburban
4	Village Center Station II	Colorado	Denver	Southeast Suburban
5	101 South Hanley	Missouri	St. Louis	Clayton
6	Tower 909	Texas	Dallas	Las Colinas
7	Promenade I & II	Texas	San Antonio	West
8	CrossPoint	Pennsylvania	Philadelphia	King of Prussia
9	One Washingtonian Center	Maryland	Washington D.C. Area (Suburban Maryland)	Suburban Maryland (Gaithersburg)
10	Reston Square	Virginia	Washington D.C. Area (Suburban Virginia)	Suburban Virginia (Reston)
11	171 17th Street	Georgia	Atlanta	Midtown/Pershing/Brookwood

Note:

(1) Primary market reflects the core-based statistical area ("**CSA**") while the submarket reflects a smaller defined area within the primary market.

Tower I at Emeryville: Tower I at Emeryville is located in Emeryville, California and is part of the Oakland (North Alameda) submarket within the San Francisco Bay Area (Oakland) primary market. It is a 12-storey Class A office building with an NLA of 222,206 sq ft. Tower I at Emeryville was renovated in 2012 and offers amenities such as a full-service bank, dry cleaners, car wash, a fitness centre, basketball court and locker rooms. The property commands San Francisco Bay views, and is centrally located with close proximity to key landmarks such as San Francisco, University of California at Berkeley, Port of Oakland and Oakland International Airport, as well as inland transportation access nodes such as the Amtrak and Alameda-Contra Costa Transit District ("**AC Transit**"). A free shuttle provides access to the MacArthur BART station.

222 Main: 222 Main is located in Salt Lake City, Utah and is part of the CBD submarket within the Salt Lake City primary market. It is a 21-storey Class A office tower with an NLA of 426,657 sq. ft and a nine-storey parking structure. 222 Main was developed in 2009 and it enjoys views of the Wasatch Mountain Range and downtown Salt Lake City. The property benefits from its proximity to City Creek Center, a luxury mall that offers numerous amenities, as well as good accessibility to light rail (TRAX), commuter trains (Frontrunner), and highways (I-15, I-80 and I-215).

Village Center Station I: Village Center Station I is located in Greenwood Village, Colorado and is part of the Southeast Suburban submarket within the Denver primary market. It is a nine-storey Class A office building with an NLA of 234,915 sq ft. and an adjacent parking structure. Improvements to the property were completed in early 2019 and it features amenities such as a fitness centre, café/deli, locker rooms with showers, bike storage and numerous on-site restaurants. The property is adjacent to the Arapahoe at Village Center light rail station and offers easy access to Centennial Airport, a regional airport considered to be one of the busiest general aviation executive airports in the U.S..

Village Center Station II: Village Center Station II is located in Greenwood Village, Colorado and is part of the Southeast Suburban submarket within the Denver primary market. It is a 12-storey Class A single-tenanted office building with attached parking and an additional two-storey building, with an NLA of 325,576 sq ft. Village Center Station II was completed in 2018 and features a pedestrian plaza that provides an area for outdoor concerts, art fairs, and other community activities. The property is adjacent to the Arapahoe at Village Center light rail station and offers easy access to Centennial Airport, a regional airport considered to be one of the busiest general aviation executive airports in the U.S..

101 South Hanley: 101 South Hanley is located in St. Louis, Missouri and is part of the Clayton submarket within the St. Louis primary market. It is a 19-storey Class A office building with an NLA of 360,505 sq ft and a four-storey parking structure. 101 South Hanley underwent improvements in 2016 and 2017 that included a renovated lobby and features a fitness centre, locker rooms, food lounge and steakhouse. 101 South Hanley is located in close proximity to Interstate 64, Interstate 170, and Forest Park Parkway, and a MetroLink light rail station is two blocks away.

Tower 909: Tower 909 is located in Irving, Texas and is part of the Las Colinas submarket within the Dallas primary market. It is a 19-storey Class A office building with an NLA of 374,251 sq ft and a seven-storey parking structure. Tower 909 underwent extensive refurbishments in 2013-2015 that included a tenant conference centre, athletic facility and a full-service café with outdoor seating. Its close proximity to the Urban Center Station on the Dallas Area Rapid Transit ("**DART**") light rail line offers easy accessibility to Dallas Fort-Worth airport and downtown Dallas.

Promenade I & II: Promenade I and II is located in San Antonio, Texas and is part of the West submarket within the San Antonio primary market. The property consists of two four-storey Class A office buildings with a total NLA of 205,773 sq ft. Promenade I & II was completed in 2011 and provides tenants with amenities such as a fitness centre with showers and lockers and a wellness centre. Promenade I & II is conveniently situated at the entrance of the 120-acre Eilan mixed-use development, which includes a boutique hotel, restaurants, retail, apartment complex and office space.

CrossPoint: CrossPoint is located in Wayne, Pennsylvania and is part of the King of Prussia submarket within the Philadelphia primary market. It is a three-storey Class A office building with an NLA of 272,360 sq ft. CrossPoint was renovated in 2014 and features amenities such as a full-service dining facility, conference centre and fitness centre. CrossPoint has excellent access to Route 202, the Pennsylvania Turnpike, and the Schuylkill Expressway/Interstate 76. The area is served by commuter bus service, and the property provides a free shuttle service to a nearby commuter rail station and the King of Prussia Town Center.

One Washingtonian Center: One Washingtonian Center is located in Gaithersburg, Maryland and is part of the Suburban Maryland (Gaithersburg), submarket within the Washington D.C. Area (Suburban Maryland) primary market. It is a 13-storey Class A office tower with an NLA of 314,284 sq ft. One Washingtonian Center underwent significant improvements from 2013 to 2019 which included renovations to the roof, conference room, lobby, restrooms, elevators and garage. One Washingtonian Center benefits from its proximity to Interstate 270.

Reston Square: Reston Square is located in Reston, Virginia, and is part of the Suburban Virginia (Reston) submarket within the Washington D.C. Area (Suburban Virginia) primary market. It is a six-storey Class A office building with an NLA of 138,995 sq ft. Improvements such as repairs to the garage to correct defects and water infiltration and the addition of a tenant coffee bar were undertaken in 2015. Reston Square is part of Reston Heights mixed-used development which features two branded hotels and enjoys close proximity to local neighbourhood amenities such as Reston Town Center and the future Reston Town Metrorail Station. It is also within ten miles of Washington Dulles International Airport.

171 17th Street: 171 17th Street is located in Atlanta, Georgia and is part of the Midtown/Pershing/Brookwood submarket within the Atlanta primary market and the master planned mixed use development of Atlantic Station. It is a 22-storey Class A office building with an NLA of 510,268 sq ft. 171 17th Street was completed in 2003 and features onsite amenities which include a café, conference centre, car-wash, and shuttle service. 171 17th Street benefits from easy access to Interstate 75 and Interstate 85. Metropolitan Atlanta Rapid Transit Authority ("**MARTA**") stations are located within a few miles of 171 17th Street and accessible via bus. The MARTA rail line provides direct service to Buckhead, Downtown and the Hartsfield Jackson Atlanta Airport.

(See "Business and Properties" for further details.)

KEY INVESTMENT HIGHLIGHTS

The Manager believes that an investment in Prime US REIT offers the following attractions to Unitholders:

1. High-Quality Portfolio of Prime US Office Properties

(a) Prime Property Portfolio

Prime US REIT provides a unique exposure to a portfolio of 11 prime office properties which generally exhibit the following attributes:

Class A Office Buildings

- All 11 properties in the IPO Portfolio are Class A office buildings.
- Cushman defines Class A as the most prestigious, high quality standard, well-located buildings, typically steel and concrete construction, built or renovated after 1980 and competing for premier office users with above market rents.
- The properties are in good state of upkeep as the current management has systematically made necessary improvements to the building systems and added or refurbished common areas as needed over the years to enhance their appeal.

100% Freehold Land Title Status

- The highest form of private ownership interest in real estate in the US is the freehold estate known as fee simple. All 11 properties in the IPO Portfolio will be acquired by Prime US REIT on fee simple basis.

High Occupancy

- As at 1 January 2019, the IPO Portfolio of Prime US REIT has an existing occupancy of 96.7% and a committed occupancy of 97.3%.
- Nine out of the 11 properties in the IPO Portfolio have a committed occupancy of above 95.0% as at 1 January 2019.

Urban Locations

- Nine properties in the IPO Portfolio are either located in the key business district of their respective office market, or in prominent urban centres with proximity to mixed-use amenities.
- The buildings are located in mixed-use amenity rich environments, surrounded by retail, restaurants, open spaces, recreational facilities and residential apartments, providing a 'live-work-play' environment for the employees, with strong location identity, within or replicating the quality aesthetics of urban centres.
- The Manager believes that such attributes of the locations appeal to highly skilled office workers and is a key consideration for location and expansion decisions by companies who

employ these professionals and want to attract and retain top talent by creating office environments that maximise productivity.

Light Rail Connectivity

- Eight out of the 11 properties in the IPO Portfolio enjoy connectivity to the light rail network in their respective markets, which is a key attraction for tenants who would like to avoid traffic, parking cost and the burden of car ownership, and minimise their carbon footprint.

Energy Efficiency

- 10 out of the 11 properties in the IPO Portfolio, representing 89.4% of the IPO Portfolio by NLA, enjoy LEED and/or Energy Star ratings compared to about 38.0% of buildings in the U.S.[1]. LEED and Energy Star ratings are the most widely used green building rating systems in the world. Energy-rated buildings attract and retain tenants, many of whom will not consider a non-rated building, result in energy cost savings and boost employee productivity and retention.

(b) Strong Fundamentals of the U.S. Economy

The primary markets in the IPO Portfolio have been supported by the strong fundamentals of the US economy, and recent outlook suggests that there continues to be support for further growth. Fundamentals include the following (the information below is sourced from the Independent Market Research Report prepared by Cushman):

Increasing Consumer Confidence

- Through mid-year 2018, consumer confidence as measured by The Conference Board[2] reached its highest since 2000.

- Current confidence indicators, along with the wealth effect of higher home and equity values point to further upside to consumer spending, which may push overall economic activity further.

- Business sentiment is buoyed by expectations around the full impact of tax law changes.

---

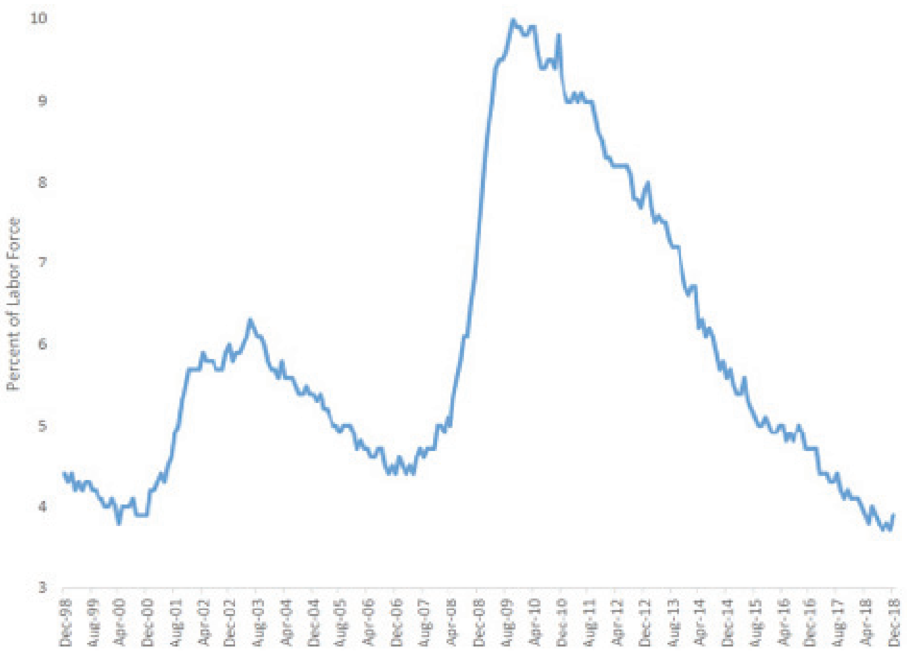
1 Based on the National Green Building Adoption Index 2017 by CBRE Inc.. CBRE Inc. has not provided its consent, for the purposes of Section 249 of the SFA (read with Section 302(1) of the SFA), to the inclusion of the LEED and Energy Star ratings information quoted above in this Prospectus and therefore is not liable for such information under Sections 253 and 254 of the SFA (read with Section 302(1) of the SFA). While the Manager has taken reasonable action to ensure that the LEED and Energy Star ratings information from the above published by CBRE Inc. is reproduced in its proper form and context, and that the information is extracted accurately and fairly, neither the Manager, the Sole Financial Adviser and Issue Manager, the Joint Bookrunners nor any other party has conducted an independent review of the information contained in such report or verified the accuracy of the contents of the relevant information.

2 The Conference Board is an independent non-profit economic research group which publishes several widely tracked economic indicators.

Low Unemployment

- The unemployment rate remains at the lowest levels since the early 2000s – deemed to be approaching full employment and suggesting strong activity.

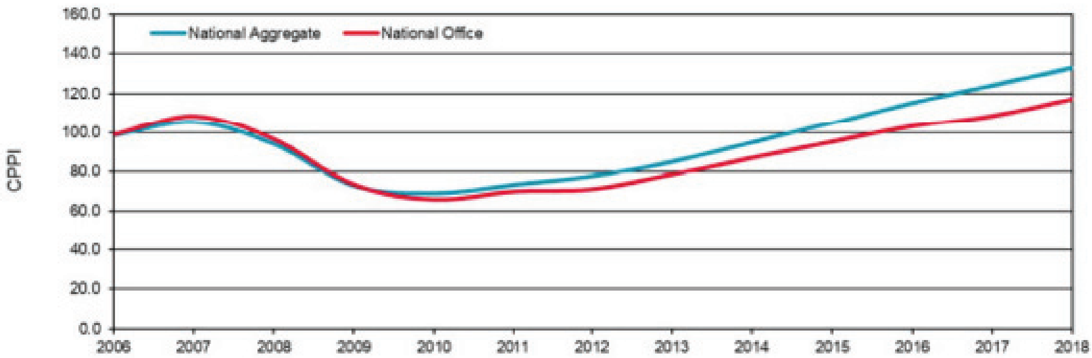
U.S. Unemployment Rate



Rising Office Prices

- National office prices, as measured by Moody's / RCA Commercial Property Index, are at their highest since 2006.

Moody's / RCA Commercial Property Index



Note:

National Aggregate and National Office reflects data through September 2018.

- Cushman believes that the availability of capital will continue to support the expansion of the U.S. real estate market and the U.S. economy, which helps reaffirm a positive outlook for the national office market.

Stable Supply of Office Space

- Office sector deliveries are expected to decrease in 2019 to 55.7 million sq ft, and approach supply seen in the sector from 2015 to 2017, at 51.8 million sq ft to 54.7 million sq ft.

- Positive national office net absorption of 35.0 million sq ft expected for 2019 supported by a stable vacancy rate of 13.7% with positive asking rent increase expected over the period.

- Overall net absorption is not uniform across markets and asset classes; strong demand expected for newly constructed or refurbished space, such as those that offer modern amenities and layouts.

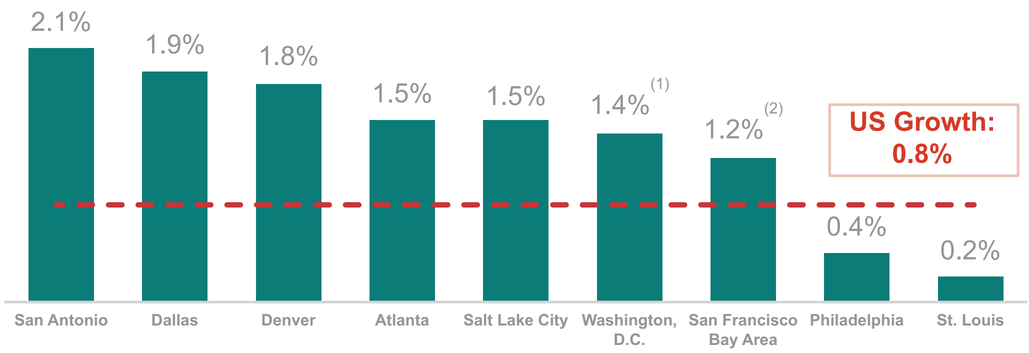
(c) Properties Are Located in Key Primary Office Markets With Strong Underlying Fundamentals

Properties in the IPO Portfolio are strategically located in nine key primary office markets across the U.S.. These markets have strong underlying fundamentals such as robust economic and employment growth, diverse pool of tenants from various trade sectors that have demonstrated strong demand for high-quality office space, highly educated workforce, robust transportation infrastructure with excellent connectivity and favourable demand/supply outlooks. The information below is sourced from the Independent Market Research Report prepared by Cushman.

Strong Population Growth

- Population growth in most of the IPO Portfolio's primary office markets has outpaced the overall U.S. growth.

Population Growth Rate (2007 – 2017 Compounded Annual Growth Rate)



Notes:

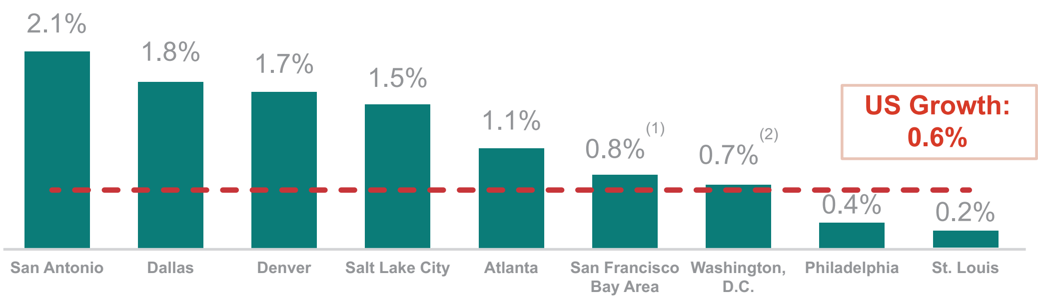
(1) Includes suburban Maryland and Virginia.

(2) Population growth for San Jose – San Francisco – Oakland CSA.

Above Average Employment Growth

- In addition, employment growth in most of the IPO Portfolio's primary office markets has outpaced the overall U.S. growth.

Total Employment Growth (2007 – 2017 Compounded Annual Growth Rate)



Notes:

(1) Employment growth for Oakland Metro Division.

(2) Includes suburban Maryland and Virginia.

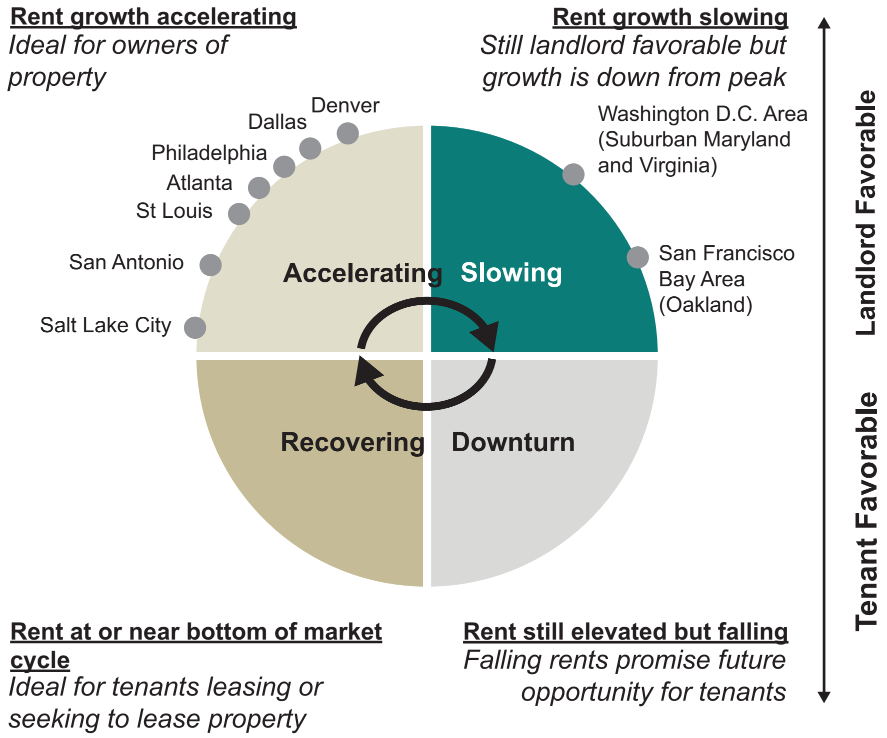
Continued Rent Growth

- According to Cushman, the position of the relevant primary markets within the IPO portfolio present an attractive proposition in the context of the overall national office market.

- Seven of the primary markets are in the "accelerating" part of the office market cycle, in which rent growth is accelerating.

- All of the primary markets are in the "landlord-favourable" part of the office market cycle, in which rents continue to grow.

Office Market Cycle



Individual Market Highlights

The following table lists the markets represented in the IPO Portfolio, highlighting each market's demand drivers and trends:

Key Market Highlights	
Market / Properties	**Description of Market and Submarkets**
San Francisco Bay Area (Oakland)	• Although the living-cost advantage has narrowed, rising costs in San Francisco and San Jose make the Oakland-East Bay metro division an attractive destination for business and living. • Unemployment rate is declining and could fall below 3.0% for the first time. Average employment growth was 2.8% between 2012 and 2017 while income growth has exceeded the national average for 29 consecutive quarters.
Tower I at Emeryville	Submarket: Oakland (North Alameda) • The proximity of Emeryville to the Bay Bridge and San Francisco, the University of California at Berkeley, Interstate 80, Downtown Oakland, the Port of Oakland, Oakland International Airport and BART provides Emeryville with a very central location in the Bay Area. • The submarket is becoming more attractive to tenants being priced-out of San Francisco and San Jose/Silicon Valley as they look to migrate to more cost-effective locations. • Emeryville is home to new creative technology and life science companies including Pixar, Novartis, LeapFrog and Clif Bar. • Average vacancy is approximately 5.5% based on nine competitive office buildings within the submarket, well below the citywide average of 18.0%.
Salt Lake City	• Salt Lake City benefits from a well-educated workforce, strong population growth trends and an advantageous business environment. • The city has a high quality of life due to its recreation opportunities and low cost of living, which continues to attract high skilled employees to the area. • Salt Lake City metro area established itself as one of the nation's top performers between 2007 and 2017 in terms of employment growth, by outpacing the national economy.

Key Market Highlights	
Market / Properties	**Description of Market and Submarkets**
222 Main	Submarket: Central Business District • The micro market which 222 Main is located in reflects the highest-tier, Class A office buildings within the Salt Lake CBD, which demand the highest rental rates in the Salt Lake City market. • The CBD in Salt Lake City is entirely built-out and will continue to experience rent growth as existing and new, out-of-state business and employers expand in Utah. • Average vacancy is approximately 7.6% based on 13 competitive office buildings within the submarket, well below the citywide average of 17.0%.
Denver	• Strong demographic traits, relatively balanced economy and Denver's position as the primary business centre of the Rocky Mountains has helped in Denver experiencing stronger than average national employment growth rate between 2007 and 2017. • Home to a variety of well-established industries such as aerospace and telecommunications, Denver is an attractive location for expanding businesses due to its well-educated workforce and relatively low cost of business. • Denver ranked fifth in telecommunication employment concentration among the top 50 largest metro areas, with 42,400 employees, according to the Denver Metro Economic Development Corporation in 2017.
Village Center Station I and Village Center Station II	Submarket: Southeast Suburban • The properties benefits from being located within a well-established submarket located along the Interstate 25 corridor serving southeast metropolitan Denver, proximate to primary demand generators and local area amenities. The submarket enjoys excellent transportation access with three major highways, various major arteries and being adjacent to the Arapahoe at Village Center Station light rail passenger station. • The properties are located within the community of Greenwood Village, which has a significant residential base that supports professional and financial services, high-tech firms and healthcare related office tenancy. • Average vacancy is approximately 6.1% based on 13 competitive office buildings within the submarket, well below the metro Denver average of 17.5%.

Key Market Highlights	
Market / Properties	**Description of Market and Submarkets**
St. Louis	• As the largest incorporated area within its Core-Based Statistical Area, the city of St. Louis is the cultural and economic centre of the region. • Below-average living and business costs and the location in central U.S. is a strong attraction for businesses. • Trade, transportation and utilities sector and the education & health services sector is the metro area's largest employment sector, accounting for 18.4% each of employment in the metro area. • St. Louis' industry base is heavily concentrated in aerospace, whose share of manufacturing employment is three times the national average because of the presence of Boeing's Defense, Space and Security division.
101 South Hanley	Submarket: Clayton • This submarket has established itself as an alternate CBD location in St. Louis, with the highest concentration of high-rise office buildings outside the CBD proper and a large inventory of Class A space. • The submarket's appeal is enhanced by the immediate proximity of restaurants, retail services and sought after upscale housing options. • Major employers in the submarket include Centene Corporation, the St. Louis County government center, Washington University, Brown Shoe Company, Enterprise Rent-A-Car Company, Graybar Electric Company and various law firms and hotels. • Three institutions of higher learning are located in Clayton: Washington University, Fontbonne University and Concordia Seminary. • Between 2013 and 2017, new construction trailed absorption, and this trend is expected to continue over the next five years. • Average vacancy is approximately 2.7% based on 14 competitive office buildings within the submarket, well below the city-wide average of 16.4%.

Key Market Highlights	
Market / Properties	**Description of Market and Submarkets**
Dallas	• Dallas is the economic hub of North Central Texas, with one of the highest concentrations of corporate headquarters in the United States. Its presence in the growing southwestern region of the United States provides excellent access to both the east and the west coast through comprehensive transportation networks. • Dallas' economy continues to grow at an above average pace, led by gains in high-tech businesses, healthcare industries, residential construction and financial and professional services, while unemployment continues to decrease. • The arrival of well-paid employees resulting from corporate relocations contributes to population growth which is about triple the national average. • Ranked by Forbes as #6 among "Best Cities in the U.S. for Business and Careers" in 2018 based on the strength of the financial services and manufacturing sectors.
Tower 909	<u>Submarket: Las Colinas</u> • This submarket is part of the Las Colinas master planned development supported by a variety of existing and future demand generators, such as abundant lifestyle amenities (including hotels, retail and restaurants), easy freeway access and proximity to freeways and Dallas Fort-Worth Airport. • Proliferation of new multifamily housing will contribute to the ability for work-life-play in the submarket. • The submarket enjoys good accessibility through the DART light rail line, and through major transportation arteries. • Average vacancy is approximately 12.4% based on 16 competitive office buildings within the submarket, below the city-wide average of 16.4%.

Key Market Highlights	
Market / Properties	**Description of Market and Submarkets**
San Antonio	• San Antonio benefits from a favourable location for regional and international trade in the Southwest, has adequate infrastructure, and lower than average cost of living, relatively high housing affordability and low business costs. • San Antonio's economy is expected to perform at above average growth led by construction, defence-related activities, education and manufacturing. • Between 2007 and 2017, San Antonio's total employment expanded at an annual rate of 2.1%, well above the overall U.S. rate of 0.6%. • Tourism, specifically related to the Alamo, the River Walk, and proximity to Mexico, military spending and consolidation, and the healthcare industry will continue to be stabilising factors for San Antonio.
Promenade I & II	Submarket: West • The West submarket of San Antonio is the location of the region's top employers including Valero Energy, UTSA, USAA, NSA, Nustar, Acelity Corporate Headquarters, Medtronic and the South Texas Medical Centre. • The property is located within a mixed-use development featuring boutique hotels, restaurants, retail and office space. The location is also in close proximity to many affluent executive housing and multi-family residential developments. • According to Cushman, the West submarket will remain the top suburban market in the region anticipated to achieve lower vacancy levels than the surrounding market area due to its location proximate to high-end retail and housing developments. • Average vacancy is approximately 9.3% based on 16 competitive office buildings within the submarket, below the city-wide average of 13.6%.

Key Market Highlights	
Market / Properties	**Description of Market and Submarkets**
Philadelphia	• Philadelphia has some of the highest educational attainment levels on the East Coast, being home to a variety of highly regarded educational institutions. This attracts employers who are in need of highly skilled workers and typically pay higher wages. • Given the large number of education and healthcare institutions, the majority of the workforce is employed in these sectors. • According to Cushman, the highly educated workforce and diverse private sector led by healthcare, construction and tourism industries will continue to support growth in the region over the long run.
CrossPoint	Submarket: King of Prussia • The King of Prussia submarket is one of the largest suburban submarkets in Philadelphia and a highly desirable submarket for tenants and investors. • The property enjoys good proximity to local highways, amenities and the newly developed King of Prussia Town Centre. • Average vacancy is approximately 4.2% based on six competitive office buildings within the submarket, well below the metro-area average of 15.5%.
Washington D.C. Area (Suburban Maryland and Virginia)	• Washington D.C. metro region has long been viewed as one of the premier job market in the country, given its stability and large proportion of employment linked to the government sector, providing approximately 21.3% of the region's employment. • Professional and business services sector is the region's largest employer at 23.0% of total metropolitan statistical area workforce, with many companies expanding or relocating to the region in an effort to capitalise on Federal spending increases over the years. • The region is projected to experience accelerated growth as consumer confidence improves and incomes rise, boosting discretionary income for consumer spending. Gross metropolitan product growth is estimated to rise 2.1% while employment is expected to increase by 70 basis points over the next five years.

Key Market Highlights	
Market / Properties	**Description of Market and Submarkets**
One Washingtonian Center	Submarket: Suburban Maryland (Gaithersburg) • The Gaithersburg submarket is situated within the Interstate 270 Corridor, which is a leading bio-tech and medical research market. • Proximity to Interstate 270 provides regional access to Frederick (north) and the Capital Beltway (south). • The community of Gaithersburg has a significant household base that supports professional and financial services and healthcare-related office tenancy.
Reston Square	Submarket: Suburban Virginia (Reston) • The submarket continued to exhibit strong new leasing activity during the third quarter of 2018, registering among the highest-performing Northern Virginia submarkets. • The region's top developers, including Boston Properties, Brookfield, JBG Smith and Comstock Partners, all have major mixed-use developments in the pipeline for the expanding Toll Road office area situated within the submarket. • Average vacancy is approximately 14.8% based on 19 competitive office buildings within the submarket, below the submarket average of 15.3%.
Atlanta	• Viewed as the hub of the Southeast, Atlanta's economy is among the healthiest in the nation and is on track to be one of the stronger performing markets this year. Job growth continues advancing, with every key industry showing year-over-year growth. • Atlanta's core strengths and assets include rapid population growth, superb logistics infrastructure, business friendly environment, world-class airport, tourism amenities and higher education infrastructure. • Atlanta is highly competitive, with 57 colleges and universities producing a skilled talent pool ready for the workforce. • Atlanta's location offers businesses direct access to over 170 U.S. cities and 80 destinations around the world. • Atlanta has the country's third largest concentration of Fortune 500 companies and 75.0% of Fortune 1000 companies have a presence in the metro region. High profile corporate relocations and expansions are the main sources of growth which allows for a more resilient and diverse economy.

Key Market Highlights	
Market / Properties	**Description of Market and Submarkets**
171 17th Street	Submarket: Midtown / Pershing / Brookwood • The Midtown / Pershing / Brookwood submarket of Atlanta is within the master planned mixed use development of Atlantic Station, providing local amenities and rail connectivity. • The submarket is one of the most desirable markets in Atlanta and demand continues to increase within the submarket. It also has a significant household base that supports professional and financial services for office tenancy. • Average vacancy is approximately 4.7% based on 13 competitive office buildings within the submarket, well below the city-wide average of 16.8%.

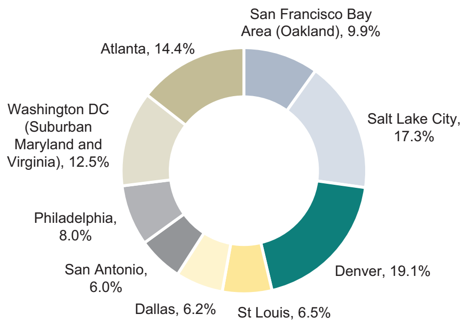
2. STABLE AND RESILIENT PORTFOLIO

(a) Geographically Diversified Exposure to U.S. Commercial Real Estate

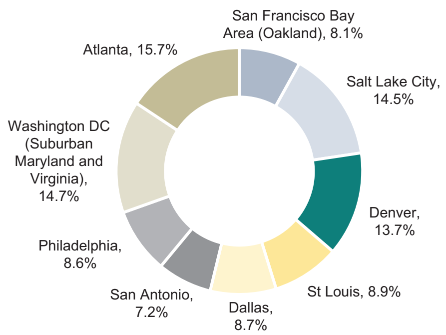
The IPO Portfolio of Prime US REIT provides a geographically diversified exposure to U.S. commercial real estate sector through its presence spread across nine key office markets in the U.S.. The Manager believes that this diversification provides resilience to Prime US REIT in riding out different economic and property cycles across the various markets represented in the IPO Portfolio.

- No single primary market contributes more than 19.1% and 15.7% to the Appraised Value of the IPO Portfolio as at 1 January 2019 and Cash Rental Income (as defined herein) of the IPO Portfolio for the month of January 2019, respectively.

Appraised Value by Primary Markets

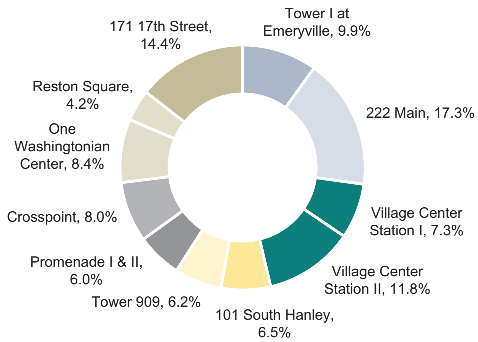


January 2019 Cash Rental Income by Primary Markets

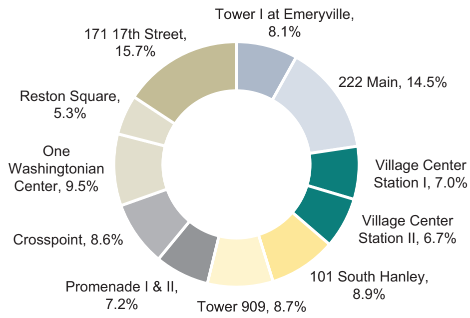


- No single property contributes more than 17.3% to the Appraised Value of the IPO Portfolio as at 1 January 2019 and 15.7% to Cash Rental Income of the IPO Portfolio for the month of January 2019, respectively.

Appraised Value by Property



January 2019 Cash Rental Income by Property

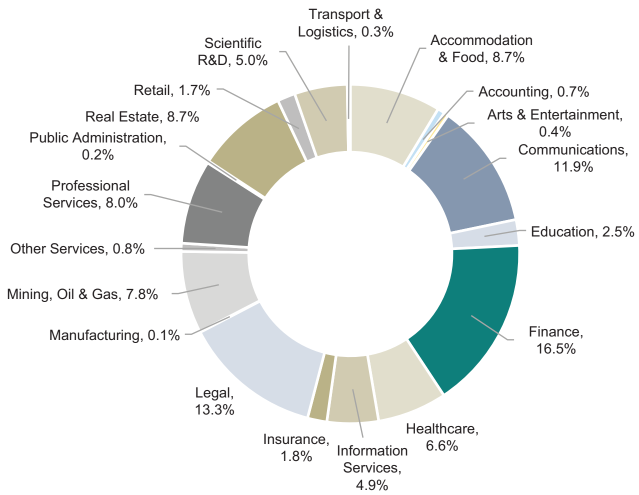


(b) Diverse Industry Mix With High-Quality Tenant Base

- The IPO portfolio has a diversified tenant base comprising over 180 tenants as of 1 January 2019 across diverse trade sectors, with notable representation from financial service, legal services, real estate services, technology and information services.

- No single trade sector contributes more than 16.5% to the Cash Rental Income of the IPO Portfolio for the month of January 2019.

Tenant Mix based on January 2019 Cash Rental Income



- No single tenant contributes more than 7.9% of the Cash Rental Income of the IPO Portfolio for the month of January 2019. The top 10 tenants have long-tenured leases with a weighted average expiry of 6.7 years as at 1 January 2019.

Top 10 Tenants in IPO Portfolio

Tenant	Industry Sector	Property	NLA (Sq. ft)	WALE[(1)] (years)	% of Cash Rental[(2)]
Charter Communications	Communications	Village Center Station I & II	373,782	8.9	7.9%
Goldman Sachs	Finance	222 Main	177,206	6.4	6.0%
Sodexo Operations	Accommodation and Food	One Washingtonian Centre	190,698	5.0	5.9%
Wells Fargo Bank	Finance	171 17th Street	156,104	6.2	5.0%
Holland & Hart	Legal	222 Main; Village Center Station I	114,103	7.4	4.7%
Arnall Golden Gregory	Legal	171 17th Street	122,240	5.8	3.9%
Whitney, Bradley & Brown	Professional Services	Reston Square	73,511	3.6	3.1%
Apache Corporation	Mining, Oil & Gas	Promenade	70,596	5.6	2.6%
Teleflex	Healthcare	CrossPoint	84,008	5.8	2.5%
Rovi Corporation	Information Services	CrossPoint	64,967	6.8	2.0%
		Total / Weighted Average	**1,427,215**	**6.7[(3)]**	**43.5%**

Notes:

(1) As at 1 January 2019.

(2) Cash Rental Income for the month of January 2019.

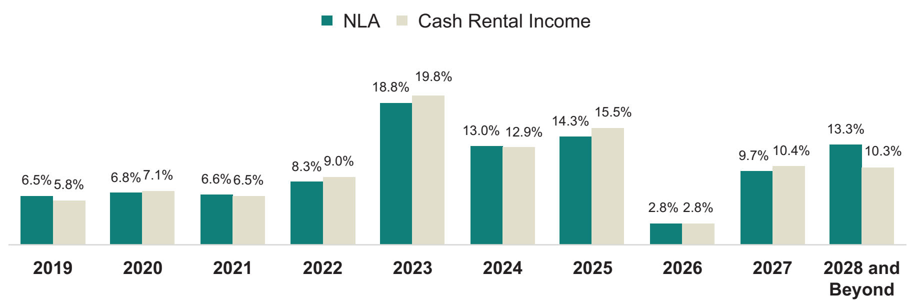
(3) Blended WALE based on NLA.

(c) Stable Contractual Lease Expiry Profile

- The IPO Portfolio has a long WALE of 5.5 years, based on NLA, from 1 January 2019. Leases are generally signed for a term of five to 10 years, with anchor tenants often executing leases for durations longer than 10 years.

- The portfolio has a well spread-out lease expiry profile, with the 3-year average lease expiry by NLA and Cash Rental Income at 6.6% and 6.5% and the 5-year average lease expiry by NLA and Cash Rental Income at 9.4% and 9.6%, respectively.

Lease Expiry Profile

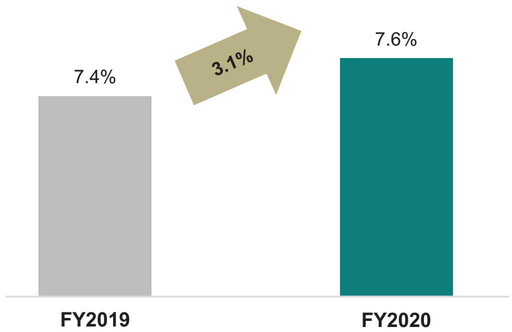


3. ATTRACTIVE DISTRIBUTIONS BACKED BY CONSERVATIVE CAPITAL STRUCTURE

(a) Stable and Growing Distributions Backed by Contracted Leases

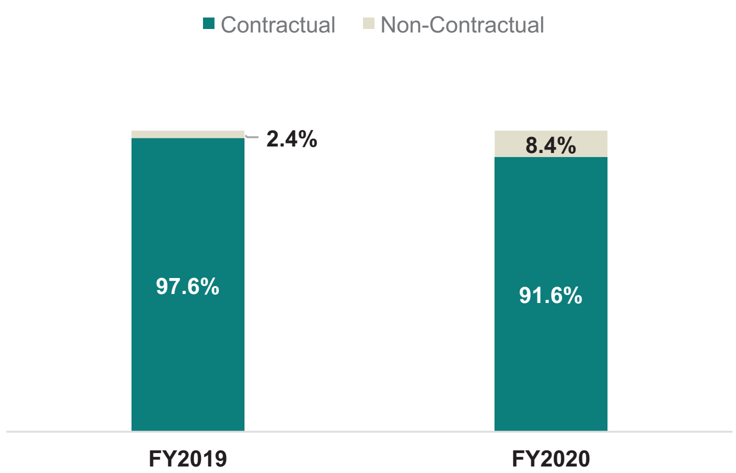
- Prime US REIT intends to provide Unitholders with regular and stable distributions on a semi-annual basis. The chart below sets out the Manager's forecast and projected DPU yields for the Forecast Period 2019 and Projection Year 2020.

DPU Yield



- 97.6% and 91.6% of the Cash Rental Income for the Forecast Period 2019 and Projection Year 2020, respectively is based on contractual leases as at 1 January 2019, reflecting the stability of the portfolio and certainty of rental cashflows from the Properties.

Total Revenue by Contractual vs Non-Contractual Cash Rental Income
(US$'m)



Note:

(1) Non-Contractual leases refer to either (i) existing leases which are forecasted to be renewed or (ii) new leases to be entered into, but are not signed as of 1 January 2019.

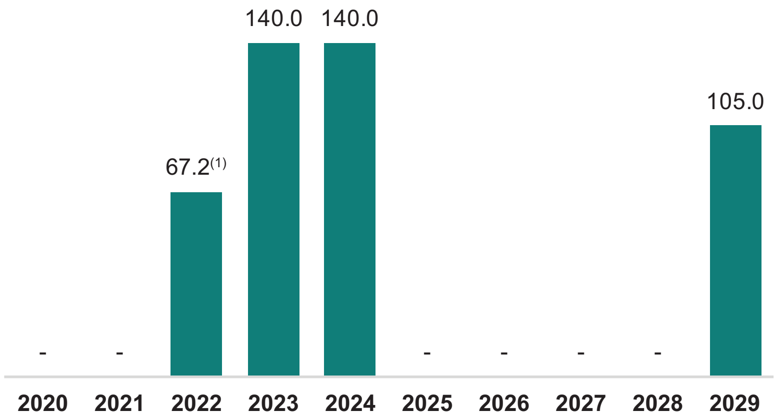
(b) Conservative Capital Structure

- The Manager believes that Prime US REIT's conservative capital structure will buffer it against volatility in the debt financing markets, while positioning the REIT to effectively execute future fund raisings with attractive terms.

- As at the Listing Date, Prime US REIT will have total borrowings of US$452.2 million, with total borrowings as a percentage of the Deposited Property (as defined herein) (the "**Aggregate Leverage**") of 37.0%. This provides adequate financial flexibility and debt headroom of US$177.8 million (based on an aggregate leverage limit of 45.0%) to fund Prime US REIT's future growth.

- The borrowings are staggered in maturities of three-years, four-years, five-years and ten-years and will have an average debt tenure of approximately 5.6 years.

Expected Term Debt Maturity Profile
(US$'m)



Note:

(1) US$67.2 million due in 2022 is the amount drawn down at IPO from a US$100.0 million revolving credit facility.

- The Manager intends to assume an interest rate hedging instrument entered into by a wholly-owned subsidiary of KBS REIT III which will hedge both the four-year and five-year term loan facilities and will be finalised and commence prior to the IPO. The ten-year term loan will be on a fixed rate basis. As a result, 85.1% of Prime US REIT's total borrowings will effectively be hedged or fixed as at the Listing Date.

- Borrowings are all denominated in U.S. dollars, which matches the currency of the cashflows received by Prime US REIT.

4. ORGANIC GROWTH THROUGH FAVOURABLE LEASE STRUCTURE

(a) Rental Escalation and Property Expense Pass-Through on Leases

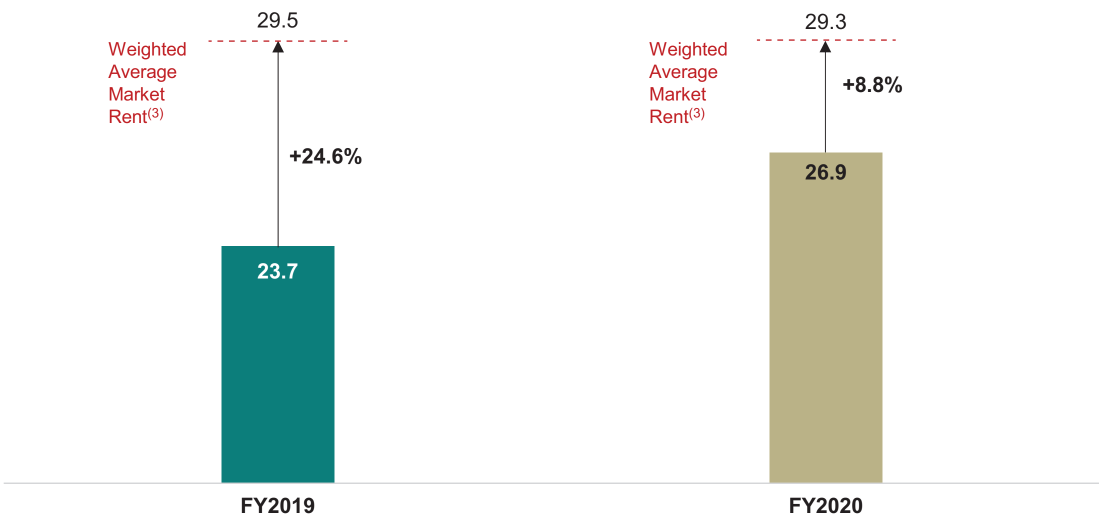
- 98.3% of contracted leases as at 1 January 2019, based on Cash Rental Income for the month of January 2019, have built-in escalation clauses, which provides visible organic growth to the rental income from the Properties. The escalation clauses on the leases are on an annual fixed rate basis, ranging between 1.0% and 3.0%, and average 2.1% based on NLA as at 1 January 2019.

- While rental revenue will continue to grow for existing leases based on the contracted fixed rental escalations, most leases are structured such that property expense increases are generally passed through to tenants. 96.9% of the leases by NLA as of 1 January 2019 are on triple-net or modified/full service gross basis, which shields the REIT from increases in real estate taxes and property expenses, which are absorbed by or passed on to tenants.

(b) Positive Rental Income Reversion Potential on Expiring Leases

The IPO Portfolio has strong rental income reversion potential as the current weighted average rental rates on expiring leases are generally below the rental rates projected by Cushman in its appraisal reports.

Weighted Average Contractual(1)(2) vs Market Rents for Expiring Leases
(US$ per sq ft)



Notes:

(1) Weighted average contractual rental income is weighted based on NLA of expiring leases. It represents base rent which does not reflect expense reimbursements on full service gross leases.

(2) Any in-place leases that do not have a matching reimbursement/lease structure with its respective market rent have been adjusted for expense reimbursements to match the reimbursement structure of the market rent, for comparison purposes only.

(3) Weighted average market rent comprise the market rent forecast for each respective expiring lease space in the property's appraisal reports by Cushman.

5. REPUTABLE PROMOTERS AND EXPERIENCED REIT MANAGEMENT TEAM

(a) Benefit from Association With KBS

- KBS Asia Partners Pte. Ltd. ("**KAP**") is the sponsor of Prime US REIT (the "**Sponsor**"). (See "Overview – Structure of Prime US REIT – The Manager: KBS US Prime Property Management Pte. Ltd." for further details.) The shareholders of KAP are (i) an entity owned by Linda Bren 2017 Trust[1], (ii) an entity indirectly controlled by Charles J. Schreiber Jr., (iii) an entity wholly-owned by Rahul Rana, and (iv) an entity indirectly controlled by Richard Bren. Linda Bren 2017 Trust indirectly holds a 33⅓% interest in KAP, Charles J. Schreiber, Jr. indirectly holds a 33⅓% interest in KAP while Rahul Rana and Richard Bren each indirectly hold a 16⅔% interest in KAP.

- Peter M. Bren and Charles J. Schreiber Jr. were the founding partners of KBS (as defined herein). Mr. Schreiber has been involved in real estate development, management, acquisition, disposition and financing for more than 40 years. Since the

[1] Due to the passing of Peter M. Bren on 25 April 2019, his interest in KAP has been transferred to Linda Bren 2017 Trust, whose beneficiary is Linda Bren. Linda Bren is the spouse of Peter M. Bren. KAP may utilise the funds received from the sale of its 20% stake in the Manager to Times Properties Private Limited to undertake a selective capital reduction or some other corporate exercise which would result in P Bren KAP I, LLC no longer being a shareholder of KAP.

formation of the first investment advisor affiliated with Messrs. Bren and Schreiber in 1992, Messrs. Bren and Schreiber partnered to acquire, manage, develop and sell high quality U.S. commercial real estate assets as well as real estate related investments on behalf of investors. Together, in January 2000, Messrs. Bren and Schreiber founded KBS Realty Advisors, LLC ("**KBS RA**"), a nationally recognised real estate investment advisor. The estate of Peter M. Bren[1] (together with other family members) indirectly owns 50% of the interests in KBS RA while Mr. Schreiber (together with other family members) indirectly controls 50% of the remaining interests in KBS RA. Notwithstanding the foregoing, Charles J. Schreiber Jr. controls the voting rights with respect to the interests in KBS RA held indirectly by the estate of Peter M. Bren. Mr. Schreiber is the Chief Executive Officer ("**CEO**") of KBS RA.

- KBS RA and KBS Capital Advisors LLC ("**KBS CA**") (collectively, "**KBS**") together constitute one of the largest U.S. commercial real estate managers.

- KBS-affiliated entities have invested in and managed commercial real estate assets on behalf of clients that include large institutions, such as public and private pension plans, endowments, foundations, sovereign wealth funds and seven public non-traded real estate investment trusts.

- The following presents key statistics on the track record[2] of KBS in managing U.S. real estate:

    - US$25.9 billion invested or managed nationwide since inception.

    - US$38.7 billion transactional volume since inception.

    - 158.6 million sq ft acquired since inception.

    - US$11.6 billion currently under management.

(b) Inorganic Growth Potential Through Leveraging the KBS Platform

- The Manager believes that Prime US REIT has a strong potential for acquisition growth beyond the IPO Portfolio through association with KBS. The Manager will enter into the investment advisory and asset management agreement (the "**KBS Management Agreement**") with KBS RA ("**U.S. Asset Manager**") through which certain functions of the Parent U.S. REIT (as defined herein) and the Property Holding LLCs (as defined herein), including those related to asset management, investments, internal audit, property-level finance/financing and compliance, have been outsourced to the U.S. Asset Manager, in each case subject to the duties and responsibilities of the respective board of directors of the Parent U.S. REIT and the managers of the Property Holding LLCs.

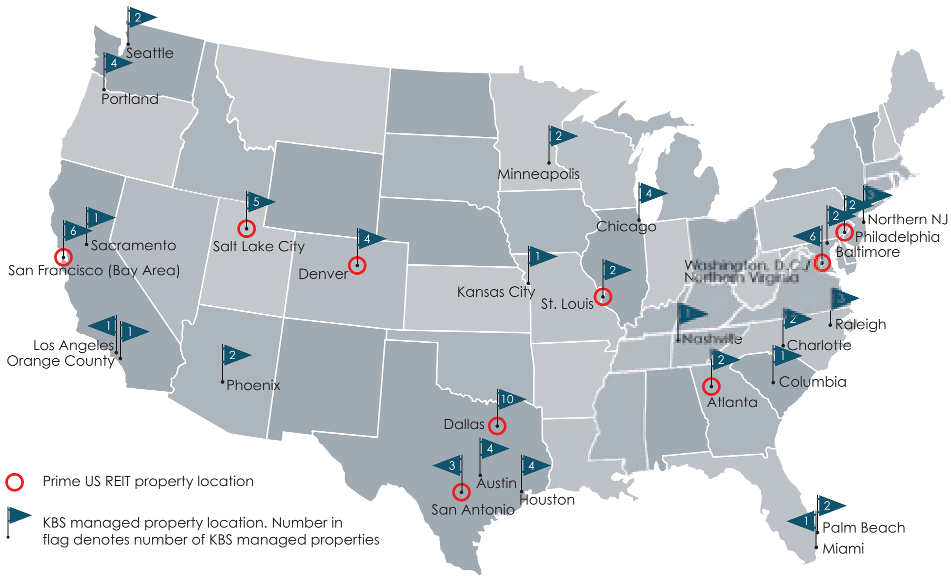
---

1 Due to the passing of Peter M. Bren on 25 April 2019, his interest in KBS RA is currently held by his estate following which, such interest will be transferred to an irrevocable trust whose sole beneficiary is Linda Bren and trustee is Richard Bren. Linda Bren is the spouse of Peter M. Bren.

2 Information as at 31 December 2018.

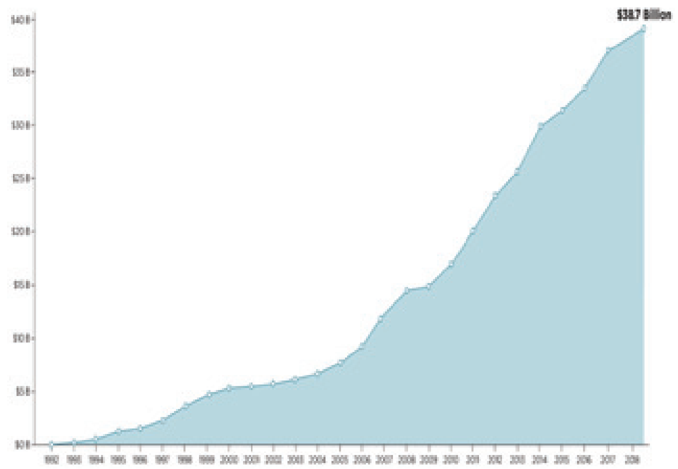
- The chart below shows the number and locations of properties managed by the KBS Acquisition and Asset Management team under the U.S. Asset Manager (the "**Core Strategy Team**") across the U.S.[1].

KBS Core Strategy Team Managed Properties



- KBS follows a rigorous, systematic and consistent investment screening process to select acquisition targets across multiple real estate economic cycles and execute these acquisitions to generate sustainable long-term returns for its clients. The Manager believes that Unitholders will benefit from KBS' well-established platform in the U.S. as well as KBS' deal sourcing, deal screening and deal execution capabilities to deliver inorganic growth opportunities for Prime US REIT.

KBS Cumulative Transactional Volume Since Inception
(US$'bn)



Note:

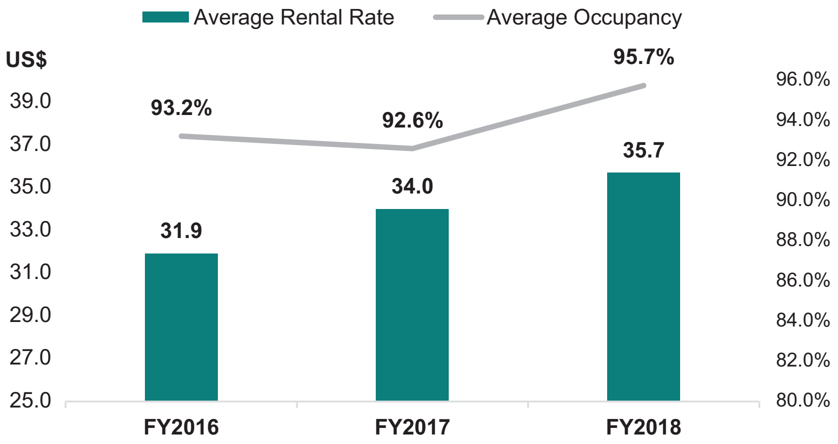
As of 31 December 2018.

[1] While KBS CA is the appointed advisor for the Non-Traded Core Strategy REITs (defined herein), there is an allocation of resources by KBS whereby the Core Strategy Team, which is part of KBS RA, serves as the asset management team that manages the Non-Traded Core Strategy REITs.

(c) Proven Ability to Create Value and Elevate Portfolio Performance

- The Core Strategy Team has been managing the Properties since their acquisition or development by KBS REIT III, and therefore, is familiar with the management and leasing aspects of the Properties. The Manager believes that Prime US REIT will benefit from the continuity of service by the retention of the U.S. Asset Manager. The following chart demonstrates the track record of the Core Strategy Team in improving the occupancy and rental rates at the properties in the IPO Portfolio:

Prime US REIT Portfolio Rental Rates and Occupancy



- The fee payable to the U.S. Asset Manager for its services (all of which are rendered in the U.S.) will be borne out of the Manager's fee, and no additional fee will be payable by the REIT.

(d) Experienced Leadership

- The Manager believes that Prime US REIT will benefit from the diverse and extensive experience of its directors and management team in REIT and private property fund management, real estate investment, portfolio management, asset and property management, and finance.

Board of Directors

Charles J. Schrieber Jr.	Chua Hsien Yang	Tan Ser Ping	Professor Annie Koh	Cheng Ai Phing
Non-Executive Chairman	Non-Executive Director	Independent Director	Independent Director	Independent Director
• Co-founder and CEO of KBS RA and KBS CA • Chairman for KBS REIT II, KBS REIT III and KBS Growth & Income REIT • Director of The Irvine Company • Former Chairman of KBS REIT I • Real Estate management veteran with more than 45 years of experience	• CEO of the manager of Keppel DC REIT • Held senior management positions in the manager of Keppel REIT and Ascott Residence Trust • More than 16 years of real estate asset management and business development experience	• Former CEO of the manager of A-REIT and held senior management positions in the Ascendas Group. • During his tenure as CEO, A-REIT grew its AUM from S$1 billion to S$9.8 billion over 12 years	• Assistant professor of Finance at Singapore Management University • Board member of the Government Technology Agency of Singapore, Singapore's Central Provident Fund, and Health Management International Ltd boards	• Previously Senior Partner in assurance and Country Leader for various practices at Deloitte & Touche LLP • Sits on various governmental bodies, accounting and professional associations in Singapore. • Chairman of the Audit Committee for Fortune REIT

Management Team

Barbara Ruth Cambon	Sandip Talukdar	Goo Liang Yin
Chief Executive Officer and Chief Investment Officer	Chief Financial Officer	Financial Controller
• Former independent director for KBS REIT I, KBS REIT II and KBS REIT III. • Held senior management positions in Colony Capital and Snowcreek Management • Previously board member for Pension Real Estate Association and National Council of Real Estate Investment Fiduciaries, among others.	• More than 20 years of experience in the investment banking and finance industry • Depth of experience in advising large corporates and REITs on equity and debt fundraising and mergers & acquisitions	• More than 20 years of experience in financial accounting • Previously the Vice President of NSL Ltd (formerly known as Natsteel Ltd.) where he was responsible for overseeing the group-wide reporting process, including consolidation of financial results.

(e) Alignment of interest between the Manager, Sponsor and Unitholders

- The Manager's Management Fees (as defined herein) are structured to align the interest of the Manager with those of the Unitholders with the base and performance fee structure based on distributable income and DPU growth, instead of assets under management or NPI, thereby incentivising the Manager to grow income and DPU for Unitholders.

- Under the Trust Deed, the Manager is entitled to receive a base fee of 10.0% per annum of the Annual Distributable Income (as defined herein) (the "**Base Fee**"), and a performance fee of 25.0% per annum of the difference in DPU in a financial year with the DPU in the preceding financial year (calculated before accounting for the Performance Fee (as defined herein) but after accounting for the Base Fee in each financial year) multiplied by the weighted average number of Units in issue for such financial year (the "**Performance Fee**").

- The Manager may elect to receive the Base Fee and Performance Fee in cash or Units or a combination of cash and Units. For Forecast Period 2019 and Projection Year 2020, the Manager has elected to receive 80% of the Base Fee in the form of Units so as to more closely align the interests of the Manager with those of Unitholders.

- KBS REIT III, which is selling the IPO Portfolio to Prime US REIT, will make a US$201.0 million indirect investment in Prime US REIT concurrent with the Offering, which translates to a 24.7% stake in Prime US REIT, subject to the exercise of the Over-Allotment Option, to demonstrate commitment to Prime US REIT. Furthermore, Linda Bren 2017 Trust and The Schreiber Trust will in aggregate make a US$10.0 million investment in Prime US REIT, which translates to a 1.2% stake in Prime US REIT, concurrent with the Offering.

- In addition, KCH which indirectly owns 30.0% of the Manager, will make a US$55.0 million indirect investment in Prime US REIT concurrent with the Offering, which translates to a 6.8% stake in Prime US REIT. Furthermore, AT Investments Limited will make a US$65.0 million investment in Prime US REIT concurrent with the Offering, which translates to a 8.0% stake in Prime US REIT. AT Investments Limited is a wholly-owned subsidiary of Auctus Investments Limited, which is in turn wholly-owned by the Sai Charan Trust, whose beneficiaries are Mr Arvind Tiku and his immediate family members. Mr Arvind Tiku and his immediate family members are also beneficiaries of Sai Charan Investment Holding Trust, which indirectly owns 10.0% of the Manager.

KEY STRATEGIES

The Manager will seek to achieve Prime US REIT's key objectives through the following strategies:

Proactive asset management and optimisation strategy – The Manager will actively manage Prime US REIT's property portfolio with the objective of achieving growth in Gross Revenue[1] and Net Property Income[2] and maintaining optimal occupancy levels. The Manager will also look to drive organic growth, encourage strong relationships with the tenants of the Properties and facilitate property enhancement opportunities.

Investments and acquisition growth strategy – The Manager will seek to achieve portfolio growth through the acquisition of quality income-producing properties that fit within Prime US REIT's investment strategy to enhance the return to Unitholders and to pursue opportunities for future income and capital growth.

Capital management strategy – The Manager will endeavour to employ an appropriate mix of debt and equity in financing acquisitions, and adopt financing policies to optimise risk-adjusted returns to Unitholders.

1 "**Gross Revenue**" refers to Rental Income (as defined herein) and other income attributable to the operation of the Properties and a service charge collected to offset the recoverable expenses.

2 "**Net Property Income**" means Gross Revenue less property operating expenses.

CERTAIN INFORMATION ON THE PROPERTIES

The table below sets out certain information on the IPO Portfolio.

Name of Property	Primary Market	Land Tenure	Completion Year	Year of Last Refurbishment	NLA (sq ft)	Parking Stalls	Occupancy as at 1 January 2019	Number of Tenants as at 1 January 2019	WALE by NLA as at 1 January 2019 (years)	Annualised Rent per sq ft (US$) as at 1 January 2019 [1]	Valuation by Cushman as at 31 December 2018 (US$'000)	Valuation by JLL as at 31 December 2018 (US$'000)	Average of the two valuations as at 31 December 2018 (US$'000)
Tower I at Emeryville	San Francisco Bay Area (Oakland)	Freehold	1972	2012	222,206	509	81.1%	16	6.7	50.8	121,200	121,000	121,100
222 Main	Salt Lake City	Freehold	2009	2018 (Lobby)	426,657	852	97.2%	16	5.9	39.6	212,000	210,500	211,250
Village Center Station I	Denver	Freehold	2009	2019	234,915	786	96.8%	12	3.3	34.7	90,600	87,700	89,150
Village Center Station II	Denver	Freehold	2018	N.A.	325,576	1,165	100.0%	1	9.5	23.3[2]	146,500	142,600	144,550
101 South Hanley	St. Louis	Freehold	1986	2016/2017	360,505	916	99.8%	36	4.3	27.9	79,100	80,300	79,700
Tower 909	Dallas	Freehold	1988	2013-2015	374,251	1,107	90.9%	40	4.6	28.8	76,200	76,400	76,300
Promenade I & II	San Antonio	Freehold	2011	N.A.	205,773	768	99.8%	13	4.3	39.4	72,000	73,600	72,800
CrossPoint	Philadelphia	Freehold	1974	2014	272,360	1,035	100.0%	13	5.3	35.6	98,000	97,400	97,700
One Washingtonian Center	Washington D.C. Area (Suburban Maryland)	Freehold	1989	2013 - 2018	314,284	1,222	96.2%	15	5.3	35.4	102,000	102,200	102,100
Reston Square	Washington D.C. Area (Suburban Virginia)	Freehold	2007	2015	138,995	704	96.9%	7	4.6	44.1	52,100	49,900	51,000
171 17th Street	Atlanta	Freehold	2003	N.A.	510,268	1,200	100.0%	18	5.5	34.9	180,000	173,000	176,500
Total / Average/ Weighted Average	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**3,385,790**	**10,264**	**96.7%**	**187**	**5.5**	**34.7**	**1,229,700**	**1,214,600**	**1,222,150**

Notes:

(1) Represents Cash Rental Income and is weighted by NLA.

(2) Does not include any recoveries income at Village Center Station II as the single tenant (i.e. Charter Communications) pays property expenses directly to external parties.

STRUCTURE OF PRIME US REIT

Prime US REIT

Prime US REIT was constituted on 7 September 2018. It is principally regulated by the SFA, the Code on Collective Investment Schemes issued by the MAS ("**CIS Code**"), including Appendix 6 of the CIS Code (the "**Property Funds Appendix**"), other relevant regulations and the Trust Deed.

KAP is the sponsor of Prime US REIT. (See "The Sponsor" for further details.)

The Manager: KBS US Prime Property Management Pte. Ltd.

KBS US Prime Property Management Pte. Ltd. is the manager of Prime US REIT. The Manager was incorporated in Singapore under the Companies Act, Chapter 50 of Singapore (the "**Companies Act**") on 26 July 2018. It has an issued and paid-up capital of US$1,000,010. Its principal place of business is located at 1 Raffles Place, #40-01 One Raffles Place, Singapore 048616.

The Manager has been issued a capital markets services licence ("**CMS Licence**") for REIT management pursuant to the SFA on 4 July 2019.

The Manager has general powers of management over the assets of Prime US REIT. The Manager's main responsibility is to manage Prime US REIT's assets and liabilities for the benefit of Unitholders. The Manager will set the strategic direction of Prime US REIT and give recommendations to the Trustee on the acquisition, divestment, development and/or enhancement of assets of Prime US REIT in accordance with its stated investment strategy.

The Manager will provide, among others, the following services to Prime US REIT:

Investment: Formulating Prime US REIT's investment strategy, including determining the location, sub-sector type and other characteristics of Prime US REIT's property portfolio. Overseeing the negotiations and providing the supervision in relation to investments of Prime US REIT and making final recommendations to the Trustee.

Asset management: Formulating Prime US REIT's asset management strategy, including determining the tenant mix, asset enhancement works and rationalising operation costs. Providing the supervision in relation to asset management of Prime US REIT and making final recommendations to the Trustee on material matters.

Capital management: Formulating the plans for equity and debt financing for Prime US REIT's property acquisitions, distribution payments, expense payments and property maintenance payments. Executing the capital management plans, negotiating with financiers and underwriters and making final recommendations to the Trustee.

Accounting: Preparing accounts, financial reports and annual reports for Prime US REIT on a consolidated basis.

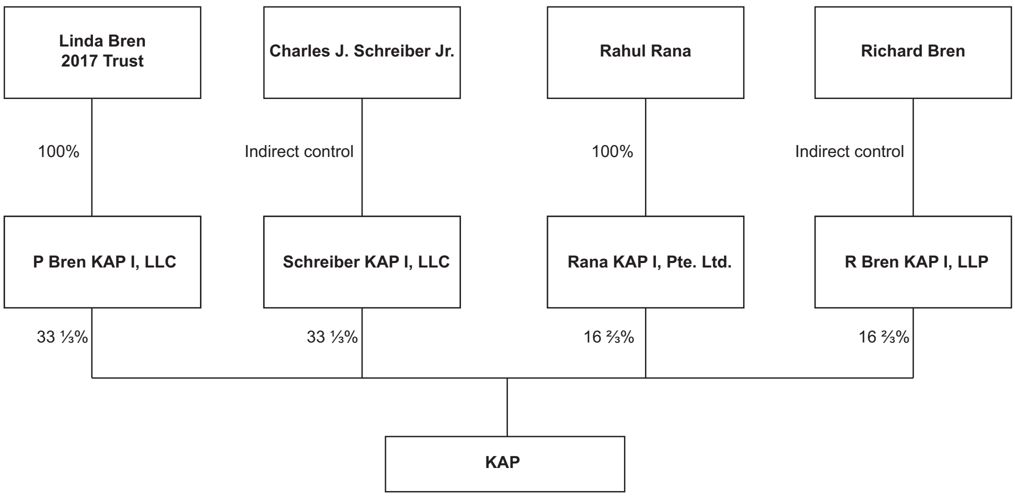
Compliance: Making all regulatory filings on behalf of Prime US REIT and assisting Prime US REIT, using its commercially reasonable best efforts, in complying with the applicable provisions of the relevant legislation pertaining to the location and operations of Prime US REIT, the listing manual of the SGX-ST (the "**Listing Manual**"), the SFA, the CIS Code (including the Property Funds Appendix), the Singapore Code on Take-overs and Mergers (the "**Take-Over Code**"), the Trust Deed, the CMS Licence, any tax ruling and all relevant contracts.

Investor relations: Communicating and liaising with investors, analysts and the investment community.

The Manager is jointly owned by KAP, Keppel Capital Two Pte. Ltd. ("**KC Two**") and Experion Holdings Pte. Ltd. ("**Experion**"). As at the date of this prospectus, KAP holds a 60.0% stake in the Manager and 10 non-voting convertible preference shares, KC Two holds a 30.0% stake in the Manager and Experion holds a 10.0% stake in the Manager, and shortly after the Listing Date, KAP will complete the sale of three non-voting convertible preference shares to KC Two and one non-voting convertible preference share to Experion.

Times Properties Private Limited has on 28 June 2019 entered into a call option agreement with KAP to acquire from KAP a 20% stake in the Manager after the Listing Date. The acquisition of the 20% stake in the Manager is subject to the approval of the MAS. If Times Properties Private Limited exercises its call option and the MAS approves the acquisition, the resultant shareholders of the Manager would be KAP (40%), KC Two (30%), Times Properties Private Limited (20%) and Experion (10%).

The shareholders of KAP are (i) P Bren KAP I, LLC, which holds 33⅓% of KAP and which is directly owned by Linda Bren 2017 Trust[1], (ii) Schreiber KAP I, LLC, which holds 33⅓% of KAP and which is indirectly controlled by Charles J. Schreiber Jr., (iii) Rana KAP I, Pte. Ltd., which holds 16⅔% of KAP and which is wholly-owned by Rahul Rana and (iv) R Bren KAP I, LLC, which holds 16⅔% of KAP and which is indirectly controlled by Richard Bren. The following structure sets out the ownership details of KAP:



Peter M. Bren and Charles J. Schreiber Jr. were the founding partners of KBS Realty Advisors LLC ("**KBS RA**"). The estate of Peter M. Bren (together with other family members) indirectly owns 50.0% of the interests in KBS RA while Charles J. Schreiber Jr. indirectly controls the remaining 50.0% of the interests in KBS RA. Notwithstanding the foregoing, Charles J. Schreiber Jr. controls the voting rights with respect to the interests in KBS RA held indirectly by the estate of Peter M. Bren.

KC Two is incorporated in Singapore and is wholly-owned by Keppel Capital Management Pte Ltd which in turn is wholly-owned by KCH. KCH is the asset management arm of Keppel Corporation Limited.

1 KAP may utilise the funds received from the sale of its 20% stake in the Manager to Times Properties Private Limited to undertake a selective capital reduction or some other corporate exercise which would result in P Bren KAP I, LLC no longer being a shareholder of KAP.

Times Properties Private Limited is incorporated in Singapore and is wholly-owned by Singapore Press Holdings Limited.

Experion is a wholly-owned subsidiary of AT Holdings Pte. Ltd., which is in turn wholly-owned by Sai Charan Investment Holding Trust, whose beneficiaries are Mr Arvind Tiku and his immediate family members.

Mr Arvind Tiku is the founder of AT Capital Group, which has an asset portfolio worth approximately US$2 billion in a diversified mix of actively managed businesses and passive financial instruments. AT Capital Group has global investments in various industries including residential and commercial real estate, hospitality, natural resources and renewable energy.

The Manager has entered into an outsourcing arrangement with KBS RA for its investments, asset management, capital management, internal audit, human resources, information technology, accounting and compliance support in the U.S. and with KCI for its human resource, information technology and compliance support in Singapore.

(See “The Manager and Corporate Governance – The Manager of Prime US REIT” for further details.)

The Trustee: DBS Trustee Limited

The trustee of Prime US REIT is DBS Trustee Limited. It is a company incorporated in Singapore on 24 November 1975 and licensed as a trust company under the Trust Companies Act, Chapter 336 of Singapore (the “**Trust Companies Act**”). It is approved to act as a trustee for authorised collective investment schemes under Section 289(1) of the SFA. As at the date of this Prospectus, DBS Trustee Limited has a paid-up capital of S$2.5 million. Its place of business is located at 12 Marina Boulevard Level 44, Marina Bay Financial Centre Tower 3, Singapore 018982.

The Trustee holds the assets of Prime US REIT on trust for the benefit of Unitholders, safeguards the rights and interests of Unitholders and exercises all the powers of a trustee and the powers accompanying ownership of the properties in Prime US REIT. (See “The Formation and Structure of Prime US REIT – The Trustee” for further details.)

The Property Managers

Each of the property-owning U.S. LLC subsidiaries of the Parent U.S. REIT that are held through Prime US-Lower Tier, LLC (collectively, the “**Property-Tier U.S. LLCs**”) and Prime US-222 Main, LLC (collectively with the Property-Tier U.S. LLCs, the “**Property Holding LLCs**”) will enter into separate property management agreements with the property manager of each Property (collectively, the “**Property Managers**” and each a “**Property Manager**”) in relation to such Property (collectively, the “**Property Management Agreements**”).

(See “Certain Agreements Relating to Prime US REIT and the Properties - Property Management Agreements” for further details.)

Under each Property Management Agreement, subject to the policies and programmes established by the Property Holding LLCs, the Property Manager shall conduct the day-to-day management, operation, maintenance and servicing of the relevant Property, including administration and enforcement of leases, collection of rents, preparation and submission of proposed annual operating and capital expense budgets for review and approval, and maintenance and repair of the relevant Property, negotiation of contracts, obtaining required insurance, maintenance of records and accounts, obtaining required licenses for the Properties and compliance by the relevant Property with applicable laws. The Property Manager will act within the approved annual budget, subject to certain permitted variances and any established guidelines. (See "The Manager and Corporate Governance – The Property Managers" for further details and "Certain Agreements Relating to Prime US REIT and the Properties – Property Management Agreements".)

The Leasing Agents

Each of the Property Holding LLCs and the leasing agent of each property (collectively, the "**Leasing Agents**") will enter into separate leasing services agreements in relation to such property (collectively, the "**Leasing Services Agreements**").

Pursuant to the terms of the Leasing Services Agreements, the Leasing Agents are responsible for procuring tenants and negotiating leases with them for space in the Properties. The Leasing Agents will act within procedures set out in the Leasing Services Agreement and owners' leasing guidelines. All leases negotiated by the Leasing Agents are subject to the approval of the relevant Property Holding LLCs, as the owner of the Property, in its sole discretion. (See "Certain Agreements Relating to Prime US REIT and the Properties – Leasing Services Agreements".)

The U.S. Asset Manager: KBS RA

Pursuant to the KBS Management Agreement between the Manager and KBS RA, the Manager has engaged KBS RA (in such capacity, the "**U.S. Asset Manager**") to perform certain operational duties in respect of the Parent U.S. REIT (as defined herein) and the Property Holding LLCs, in each case subject to the duties and responsibilities of the respective board of directors of the Parent U.S. REIT and the managers of the Property Holding LLCs. The U.S. Asset Manager is registered as an investment adviser with the U.S. Securities and Exchange Commission. It should be noted that notwithstanding the KBS Management Agreement, the Manager retains the overall responsibility for the management of Prime US REIT.

Under the KBS Management Agreement, the U.S. Asset Manager will provide, among others, the following services:

Investment: Support the execution, through the Parent U.S. REIT and the Property Holding LLCs, of Prime US REIT's investment strategy in accordance with the strategy formulated by the Manager and the guidelines issued by the Manager which include requirements relating to the location, sub-sector type and other characteristics of Prime US REIT's property portfolio.

Asset management: Work with the Property Managers to execute, through the Parent U.S. REIT and the Property Holding LLCs, Prime US REIT's asset management strategy in accordance with the decisions made by and the strategy formulated by the Manager and the guidelines issued by the Manager which include requirements relating to the tenant mix, asset enhancement works and rationalising operation costs. Deal with the Leasing Agents to execute, through the Parent U.S. REIT and the Property Holding LLCs, Prime US REIT's leasing strategy.

Capital management: Support the execution of debt financing plans for any debt taken up by the Parent U.S. REIT and/or the Property Holding LLCs.

Internal Audit: Assist with internal and external audit processes for the Parent U.S. REIT and/or the Property Holding LLCs including internal controls over financial reporting and operational audits in accordance with the Manager's audit plan, including property-level audits, capital expenditure audits and other operational audits. Work with business teams to identify improvement opportunities in internal controls, processes, policies and procedures. Assist to enhance or implement financial accounting system and internal controls.

Human Resource: Perform and support the formulation of policies, framework and programmes, implementation and/or administration of human resource matters relating to the, among others, training and development, succession planning and payroll services.

Information Technology: Providing support for email communication and Office 365 platform, software systems and website.

Accounting: Prepare accounts, financial reports and annual reports, as may be required, for the Parent U.S. REIT and/or the Property Holding LLCs.

Compliance: Make all regulatory filings on behalf of the Parent U.S. REIT and the Property Holding LLCs and assist, using its commercially reasonable best efforts, the Parent U.S. REIT and the Property Holding LLCs in complying with applicable provisions of the relevant legislation and tax laws and regulations in the United States including meeting the requirements for qualification and taxation as an U.S. REIT and all relevant contracts.

The fees payable to the U.S. Asset Manager will be paid by the Manager and not Prime US REIT. (See "The Manager and Corporate Governance – The U.S. Asset Manager" for further details.)

The Keppel Management Support: Keppel Capital International Pte. Ltd. ("KCI")

Pursuant to the Keppel Management Agreement between the Manager and KCI, the Manager has engaged KCI to provide, among others, the following services:

Human resource: Provide human resource advisory services to the Manager including recruitment and performance management.

Information Technology: Provide information technology support services to the Manager including procurement of information technology equipment and regular training on information technology security awareness.

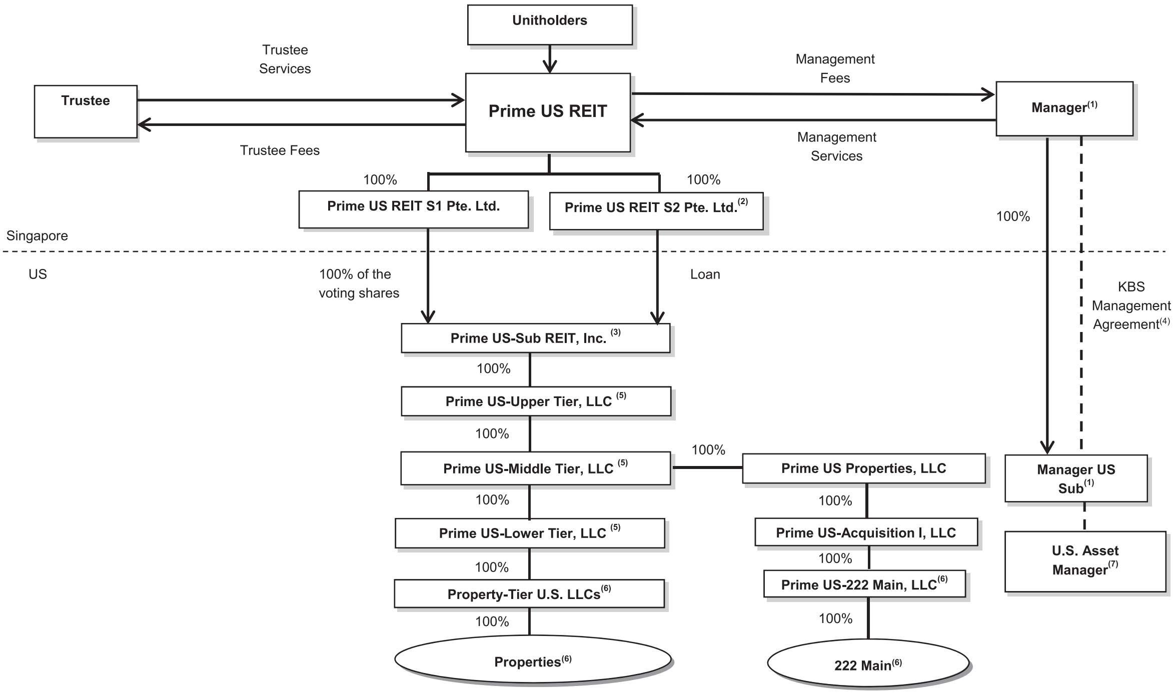
Compliance in Singapore: Make all regulatory filings to MAS on behalf of Prime US REIT in Singapore and assisting Prime US REIT in complying with the Listing Manual, the SFA, the CIS Code (including the Property Funds Appendix), the Trust Deed and associated regulations and guidelines.

KCI will act subject to the overall discretion and direction of the Manager and within guidelines issued by the Manager. The fees payable to KCI will be paid by the Manager and not Prime US REIT. (See "The Manager and Corporate Governance – The Keppel Management Support" for further details.)

Overview of U.S. REIT Structure

Prime US REIT will be investing in the Properties in the United States through special purpose vehicles ("**SPVs**") that are indirect controlled subsidiaries of the Parent U.S. REIT. Parent U.S. REIT is organised so as to qualify as a U.S. REIT. U.S. REITs are generally permitted to deduct dividends paid to their shareholders from their U.S. federal (and in most instances, state) taxable income. It is intended that each Property will be acquired and held in a separate Property Holding LLC. Each Property Holding LLC will be indirectly wholly-owned by Parent U.S. REIT. The organisational documents of each Property Holding LLC will allow for the possibility of such Property Holding LLC to elect to be a U.S. REIT (such Property Holding LLCs upon such election referred to as a "**Springing REIT**") if such election is desirable in the opinion of the Parent U.S. REIT's board of directors. If Prime US REIT desires to dispose of any one of the Properties, the exit can be structured as a sale of the interests of a Springing REIT which owns the Property rather than a sale of the underlying real property, with the goal of simplifying legal transfer and eliminating any otherwise applicable US branch profits tax on the transaction. (See "Taxation – US Federal Income Tax Overview – US Federal Income Taxation of the Parent U.S. REIT– Income Tests" for further details.)

The following diagram illustrates the relationship, among others, between Prime US REIT, the Manager, the Trustee, the U.S. Asset Manager and the Unitholders as at the Listing Date:



Notes:

(1) The Manager wholly-owns the Manager US Sub. The Manager has organised the Manager US Sub so that to the extent activities of the Manager, including under the KBS Management Agreement, would be required to be performed within the U.S., those activities will be delegated to the Manager US Sub.

(2) Prime US REIT S2 Pte. Ltd. wholly-owns two Barbados entities which are currently dormant.

(3) Approximately 125 preferred shares are proposed to be issued by Parent U.S. REIT to parties who are not related to the Sponsor with a coupon of 12.5%. The preferred shares will be non-voting, non-participating and redeemable at the option of Parent U.S. REIT. The terms of the preferred shares are in accordance with customary terms offered to other accommodation shareholders (which are third party holders required to meet the 100 shareholder test) for U.S. REITs in the United States. The Certificate of Incorporation for Parent U.S. REIT contains provisions that ensure that this 100 shareholder requirement is continuously met at all times required under US tax rules applicable to U.S. REITs. (See “Taxation – US Federal Income Tax Overview – US Federal Income Taxation of the Parent U.S. REIT – Organisation Requirements” for further details.)

(4) An agreement entered into between the Manager, the Manager US Sub, the U.S. Asset Manager, the Parent U.S. REIT and the Property Holding LLCs. (See “Overview – Structure of Prime US REIT – The U.S. Asset Manager: KBS RA”.)

(5) For the avoidance of doubt, there will only be one Upper-Tier U.S. LLC, one Mid-Tier U.S. LLC and one Lower-Tier U.S. LLC.

(6) Each Property will be held by an individual Property-Tier U.S. LLC, except that 222 Main will be held by Prime US-222 Main, LLC.

(7) For the avoidance of doubt, KBS RA is not a subsidiary of the Manager, and KBS RA does not hold any shares in the Manager (whether directly or indirectly) and vice versa. The estate of Peter M. Bren (together with other family members) indirectly owns 50.0% of the interests in KBS RA while Charles J. Schreiber Jr. (together with other family members) indirectly controls the remaining 50.0% of the interests in KBS RA. Notwithstanding the foregoing, Charles J. Schreiber Jr. controls the voting rights with respect to the interests in KBS RA held indirectly by the estate of Peter M. Bren.

CERTAIN FEES AND CHARGES

The following is a summary of the amount of certain fees and charges payable by the Unitholders in connection with the subscription for or trading of the Units (so long as the Units are listed):

	Payable by the Unitholders directly	Amount payable
(a)	Subscription fee or preliminary charge	N.A.(1)
(b)	Realisation fee	N.A.(1)
(c)	Switching fee	N.A.(1)
(d)	Any other fee	Investors in the Placement Tranche may be required to pay brokerage of up to 1.0% of the Offering Price. An administration fee is payable for each application made through automated teller machines ("**ATM**") and the internet banking websites of the Participating Banks (as defined herein). For trading of the Units, investors will pay prevailing brokerage commissions (if applicable) and a clearing fee for trading of the Units on the SGX-ST at the rate of 0.0325% of the transaction value, subject to Goods and Services Tax ("**GST**") chargeable thereon.

Note:

(1) As the Units will be listed and traded on the SGX-ST, and Unitholders will have no right to request that the Manager redeem their Units while the Units are listed, no subscription fee, preliminary charge, realisation fee or switching fee is payable in respect of the Units.

The following is a summary of certain fees and charges payable by Prime US REIT or subsidiaries in connection with the establishment and on-going management and operation of Prime US REIT and its subsidiaries:

	Payable by Prime US REIT	Amount payable
(a)	Management Fee (payable to the Manager)[1]	**Base Fee** Pursuant to Clause 15.1.1 of the Trust Deed, 10.0% per annum of Prime US REIT's Annual Distributable Income (calculated before accounting for the Base Fee and the Performance Fee). **Performance Fee** Pursuant to Clause 15.1.1 of the Trust Deed, 25.0% of the increase in DPU in a financial year over the DPU in the preceding financial year (calculated before accounting for the Performance Fee but after accounting for the Base Fee in each financial year) multiplied by the weighted average number of Units in issue for such financial year. The Performance Fee is payable if the DPU in any financial year exceeds the DPU in the preceding financial year, notwithstanding that the DPU in the financial year where the Performance Fee is payable may be less than the DPU in any preceding financial year.[2] For the avoidance of doubt, where the DPU in a financial year is less than the DPU in any preceding financial year, the Manager shall not be required to return any Performance Fee paid to it in any preceding financial year. For illustrative purposes only, the following sets out an example of the computation of the Performance Fee based on an assumed DPU of 5.0 cents for Year 1 and 6.0 cents for Year 2 and a weighted average number of Units of 1,000,000,000:

	Year 1	Year 2
DPU (US$ cents)[(1)]	5.0	6.0
Weighted average number of Units (million)	-	1,000
Performance Fee (US$ million)	-	2.5[(2)]

Notes:

(1) Calculated before accounting for the Performance Fee in the financial year.

(2) The Performance Fee is calculated based on the following computation: (0.06 – 0.05) x 1,000,000,000 x 25.0%.

1 Fees payable to the U.S. Asset Manager under the KBS Management Agreement and KCI under the Keppel Management Agreement will be paid by the Manager.

2 As an illustration, if the DPU is 5 cents in Year 1, 3 cents in Year 2 and 4 cents in Year 3, the Performance Fee is payable in relation to Year 3 as the DPU for Year 3 exceeds Year 2, notwithstanding that the DPU for Year 3 is less than the DPU for Year 1.

	Payable by Prime US REIT	Amount payable
		For the purpose of the computation of the Performance Fee only, the DPU shall be calculated based on all income of Prime US REIT arising from the operations of Prime US REIT, such as, but not limited to, rentals, interest, dividends, divestment gains (to the extent it is distributed to Unitholders) and other similar payments or income arising from the Authorised Investments (as defined herein) of Prime US REIT. There would not be any Performance Fee payable for the period between the Listing Date to 31 December 2019. For the Projection Year 2020, the difference in DPU shall be the difference in actual DPU in such financial year with the projected DPU. (See "Profit Forecast and Profit Projection" for further details.) **Management Fee to be paid in cash or Units** The Base Fee and Performance Fee (together, the "**Management Fee**") are payable to the Manager in the form of cash and/or Units (as the Manager may elect), in such proportions as may be determined by the Manager. For Forecast Period 2019 and Projection Year 2020, the Manager has elected to receive 80% of the Base Fee in the form of Units.
(b)	Trustee's Fee	Pursuant to Clause 15.4 of the Trust Deed, the Trustee's fee shall not exceed 0.1% per annum of the value of the Deposited Property, subject to a minimum amount of S$15,000 per month, excluding out-of-pocket expenses and GST. The Trustee's fee is accrued daily and will be paid monthly in arrears in accordance with the Trust Deed. The actual fee payable will be determined between the Manager and the Trustee from time to time. The Trustee will also be paid a one-time establishment fee as may be agreed between the Trustee and the Manager, subject to a maximum of S$60,000.
(c)	Any other substantial fee or charge (*i.e.* 0.1% or more of Prime US REIT's asset value)	
	Payable to the Manager or its nominee	
	(i) Acquisition Fee	Pursuant to Clause 15.2.1 of the Trust Deed, 1.0% (or such lower percentage as may be determined by the Manager in its absolute discretion) of each of the following as is applicable (subject to there being no double-counting): • the acquisition price of any real estate purchased, whether directly or indirectly through one or more SPVs, by Prime US REIT (plus any other payments[1] in addition to the acquisition price made by Prime US REIT or its SPVs to the vendor in connection with the purchase of the real estate) (pro-rated, if applicable, to the proportion of Prime US REIT's interest);

[1] "**Other payments**" refer to additional payments to the vendor of the asset, for example, where the vendor has already made certain payments for enhancements to the asset, and the value of the asset enhancements is not reflected in the acquisition price as the asset enhancements are not completed, but "other payments" do not include stamp duty or other payments to third party agents and brokers.

	Payable by Prime US REIT	Amount payable
		• the underlying value[1] of any real estate which is taken into account when computing the acquisition price payable for the equity interests of any vehicle holding directly or indirectly the real estate purchased by Prime US REIT, whether directly or indirectly through one or more SPVs (plus any additional payments made by Prime US REIT or its SPVs to the vendor in connection with the purchase of such equity interests) (pro-rated, if applicable, to the proportion of Prime US REIT's interest); or • the acquisition price of any investment purchased by Prime US REIT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate, (the "**Acquisition Fee**"). For the avoidance of doubt, the acquisition price, or as the case may be, the acquisition value, shall take into account any completion or other price or value adjustment to be made post-completion. The Acquisition Fee is payable in respect of any acquisition of real estate assets to both third parties and interested parties. For the purpose of the Acquisition Fee, equity interests include all classes and types of equity securities relating to real estate which shall, for the avoidance of doubt, exclude any investment in debt securities of any property corporation or other SPV owning or acquiring real estate. The Acquisition Fee is payable to the Manager in the form of cash and/or Units (as the Manager may elect), in such proportions as may be determined by the Manager. Under the Property Funds Appendix, in respect of any acquisition of real estate assets from interested parties, such a fee will be in the form of Units issued by Prime US REIT at prevailing market price(s). Such Units may not be sold within one year from the date of their issuance. No Acquisition Fee is payable for the acquisition of the Properties in the IPO Portfolio. Any payment to third party agents or brokers in connection with the acquisition of any assets of Prime US REIT (other than to the U.S. Asset Manager) shall be paid to such persons out of the Deposited Property of Prime US REIT or the assets of the relevant SPV, and not out of the Acquisition Fee received or to be received by the Manager.

[1] For example, if Prime US REIT acquires an SPV which holds real estate, such underlying value would be the value of the real estate derived from the amount of equity paid by Prime US REIT as the purchase price and any debt of the SPV.

	Payable by Prime US REIT	Amount payable
	(ii) Divestment Fee	Pursuant to Clause 15.2.1 of the Trust Deed, 0.5% (or such lower percentage as may be determined by the Manager in its absolute discretion) of each of the following as is applicable (subject to there being no double-counting): • the sale price of any real estate sold or divested, whether directly or indirectly through one or more SPVs, by Prime US REIT (plus any other payment[1] in addition to the sale price received by Prime US REIT or its SPVs from the purchaser in connection with the sale or divestment of the real estate) (pro-rated, if applicable, to the proportion of Prime US REIT's interest); • the underlying value[2] of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding directly or indirectly the real estate, sold or divested, whether directly or indirectly through one or more SPVs, by Prime US REIT (plus any additional payments received by Prime US REIT or its SPVs from the purchaser in connection with the sale or divestment of such equity interests) (pro-rated, if applicable, to the proportion of Prime US REIT's interest); or • the sale price of any investment sold or divested by Prime US REIT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate, (the "**Divestment Fee**"). For the avoidance of doubt, the Divestment Fee is payable in respect of any divestment of real estate assets to both third parties and interested parties. For the avoidance of doubt, the sale price, or as the case may be, the sale value, shall take into account any completion or other price or value adjustment to be made post-completion. For the purpose of this Divestment Fee, equity interests include all classes and types of equity securities relating to real estate which shall, for the avoidance of doubt, exclude any investment in debt securities of any property corporation or other SPV owning or acquiring real estate.

1 "**Other payments**" refer to additional payments to Prime US REIT or its SPVs for the sale of the asset, for example, where Prime US REIT or its SPVs have already made certain payments for enhancements to the asset, and the value of the asset enhancements is not reflected in the sale price as the asset enhancements are not completed, but "other payments" do not include stamp duty or other payments to third party agents and brokers.

2 For example, if Prime US REIT sells or divests an SPV which holds real estate, such underlying value would be the value of the real estate derived from the amount of equity ascribed to the asset which will be paid to Prime US REIT as the sale price and any debt of the SPV.

	Payable by Prime US REIT	Amount payable
		The Divestment Fee is payable to the Manager in the form of cash and/or Units (as the Manager may elect), in such proportions as may be determined by the Manager. Under the Property Funds Appendix, in respect of any sale or divestment of real estate assets to interested parties, such a fee will be in the form of Units issued by Prime US REIT at prevailing market price(s). Such Units may not be sold within one year from date of their issuance. Any payment to third party agents or brokers in connection with the disposal of any assets of Prime US REIT (other than to the U.S. Asset Manager) shall be paid to such persons out of the Deposited Property of Prime US REIT or the assets of the relevant SPV, and not out of the Divestment Fee received or to be received by the Manager.
	(iii) Development Management Fee	Pursuant to Clause 15.3 of the Trust Deed, the Manager is entitled to receive a development management fee equivalent to 3.0% of the Total Project Costs (as defined herein) incurred in a Development Project (as defined herein) undertaken by the Manager on behalf of Prime US REIT. Prime US REIT will only undertake development activities within the limits of the Property Funds Appendix (which currently allows a REIT to commit no more than 10.0% of its deposited property to development and investment in uncompleted property developments). The total contract value of property development activities may exceed 10.0% of Prime US REIT's deposited property (subject to maximum of 25.0% of Prime US REIT's deposited property) only if: (i) the additional allowance of up to 15.0% of Prime US REIT's deposited property is utilised solely for the redevelopment of an existing property that has been held by Prime US REIT for at least three years and which Prime US REIT will continue to hold for at least three years after the completion of the redevelopment; and (ii) Prime US REIT obtains the specific approval of Unitholders at a general meeting for the redevelopment of the property. "**Total Project Costs**" means the sum of the following: • construction cost based on the project final account prepared by the project quantity surveyor or issued by the appointed contractor; • principal consultants' fees, including payments to the project's architect, civil and structural engineer, mechanical and electrical engineer, quantity surveyor and project manager; • the cost of obtaining all approvals for the project; • site staff costs; • interest costs on actual borrowings used to finance project cash flows (excluding equity capital) that are capitalised to the project in line with the International Financial Reporting Standards; and • any other costs including contingency expenses which meet the definition of Total Project Costs and can be capitalised to the project in accordance with the International Financial Reporting Standards,

	Payable by Prime US REIT	Amount payable
		but for the avoidance of doubt, shall not include land costs (including but not limited to the acquisition price or underlying value of such land). "**Development Project**" means a project involving the development of land, or buildings, or part(s) thereof on land which is acquired, held or leased by Prime US REIT, provided always that the Property Funds Appendix shall be complied with for the purposes of such development, but does not include refurbishment, retrofitting and renovations. When the estimated Total Project Costs are above US$100.0 million, the Manager will be entitled to receive a development management fee equivalent to 3.0% for the first US$100.0 million. For the remaining Total Project Costs in excess of US$100.0 million (the "**Remaining Total Project Costs**"), the independent Directors will first review and approve the quantum of development management fee payable in relation to the Remaining Total Project Costs (the "**Remaining Development Management Fee**"), whereupon the Manager may be directed by its independent Directors to reduce the Remaining Development Management Fee. For the avoidance of doubt, in respect of a Development Project, there will be no double counting of fees and the Manager will not be entitled to concurrently receive both the development management fee as well as the acquisition fee. As land costs will not be included in the computation of Total Project Costs, the Manager shall be entitled to receive an Acquisition Fee on the land costs.
	Payable to the Property Managers[1]	
	(i) Property Management Fee	Each Property Manager is entitled to a monthly property management fee equal to a certain percentage of rent or gross revenues, as more specifically defined in each Property Management Agreement. All the Property Managers are unrelated to the Sponsor. Property management fees are assessed on a monthly basis and payable in arrears. The property management fees for the IPO Portfolio is charged based on gross revenue income and ranges from 0.85% to 3.0% of the gross revenue income except that for Village Center Station II, the property management fee is US$2,750 per month. The specific percentages of the property management fees are set out in each of the Property Management Agreements. Notwithstanding that under the Property Management Agreements the property management fee is payable in cash and not Units, Clause 15.7 of the Trust Deed allows for the payment of property management fee in the form of cash and/or Units. Prime US REIT may, in the future, enter into new property management agreements that provide for the payment of property management fee in Units.

[1] The fees payable to the Property Managers, being the Property Management Fee and the Construction Supervision Fee, will be paid by each Property Holding LLC.

	Payable by Prime US REIT	Amount payable
	(ii) Construction Supervision Fee	Except for CrossPoint, the Property Managers are entitled to construction supervision fees in connection with providing construction management services for certain construction projects with respect to the Property managed by the Property Manager. All the Property Managers are independent third party service providers which are unrelated to the Sponsor. Apart from One Washingtonian and Reston Square for which the construction supervision fees will be agreed on a project by project basis, the construction supervision fees are assessed as a percentage of the total cost of the applicable construction project with respect to the Properties, as more specifically set forth in each Property Management Agreement, construction management addendum to the Property Management Agreement or separate project management agreement for the Property. With respect to such construction supervision fees, the percentages typically range from 0% to 5% of the total cost of a construction project, on a tiered scale with the applicable percentage decreasing as the total cost of a construction project increases. The Manager who oversees the Property Managers will negotiate the amount of Construction supervision fees while taking into account the complexity and scale of the construction project. Most commonly, projects with construction costs over US$1,000,000 are negotiable and on a case by case basis such that each construction supervision fee is reasonable depending on the size and complexity of any given project. The Manager believes that the Construction supervision fees payable to the third party independent Property Managers are in line with market practice for property managers in the respective markets.
	Payable to the Leasing Agents	Under the Leasing Services Agreements, the Leasing Agents, who are independent third-party service providers, are entitled to leasing services commissions, which are payable in cash. **Leasing services commissions for procuring leases with new tenants** The Leasing Agents are entitled to certain leasing services commissions for procuring leases with new tenants, and lease expansions which can range from US$2.00 per square foot per year of the lease term or 3.0% to 7.0% for the initial term of the lease. **Leasing services commissions for procuring lease renewals** The Leasing Agents are entitled to certain leasing services commissions for procuring leases renewals which can range from US$1.00 per square foot per year of the lease term or 2.0% to 7.0% for the initial term of the lease.

The rationale for each of the fees payable by Prime US REIT or its subsidiaries to the Manager in connection with the establishment and on-going management and operation of Prime US REIT and its subsidiaries are as follows:

- **Management Fee (payable to the Manager):** The Management Fee comprises the Base Fee and the Performance Fee which make up a substantial portion of the Manager's total remuneration for the provision of on-going management services, some of which are being outsourced, to Prime US REIT. These services cover functions such as investment management, asset management, capital management, accounting, legal, compliance and investor relations, rendered by a professional licensed REIT manager on a full time and dedicated basis.

- **Base Fee:** The Base Fee, which is based on the value of Annual Distributable Income, is recurring and enables the Manager to cover operational and administrative overhead incurred in the management of the portfolio. The Base Fee is based on a fixed percentage of the Annual Distributable Income which is commensurate with the complexity and efforts required of the Manager in managing Prime US REIT.

- **Performance Fee:** The Performance Fee, which is based on and linked to DPU, is a measure of the Manager's continuing efforts to retain existing tenants and attract new tenants to its Properties, with the aim of maintaining income stability and a long lease expiry profile. This takes into account the long term interest of Unitholders as the Manager is motivated and incentivised to achieve income stability by ensuring the long-term sustainability of the assets through proactive asset management strategies and asset enhancement initiatives. As such, to achieve income sustainability, the Manager will not take on excessive short-term risks, and will strive to manage Prime US REIT in a balanced manner.

• **Acquisition Fee and Divestment Fee (payable to the Manager):** The Acquisition Fee and Divestment Fee payable to the Manager seek to motivate and compensate the Manager for the time, effort and cost spent by the management team of the Manager (in the case of the Acquisition Fee) in sourcing, evaluating and executing new investments to grow Prime US REIT or, (in the case of the Divestment Fee) in rebalancing and unlocking the underlying value of existing properties where they have reached a stage which offers limited scope for further growth. The Manager provides these services over and above the provision of on-going management services with the aim of enhancing long-term returns and achieving the investment objectives of Prime US REIT.

  The Divestment Fee is lower than the Acquisition Fee because there is generally less work required to be undertaken in terms of sourcing, evaluating and conducting due diligence for a disposal. As the Divestment Fee for all disposals is the same, the Manager will also be incentivised to sell a Property at the best price.

• **Development Management Fee (payable to the Manager)**: The development management fee allows the Manager to recover the cost of providing resources to manage the development projects, which is outside the scope of the usual operations of the Manager. This serves to incentivise the Manager to undertake development projects that will enhance returns for Unitholders, thereby aligning the Manager's interests with the interests of Unitholders.

THE OFFERING

The Manager	KBS US Prime Property Management Pte. Ltd., in its capacity as manager of Prime US REIT.
The Sponsor	KBS Asia Partners Pte. Ltd.
The Trustee	DBS Trustee Limited, in its capacity as trustee of Prime US REIT.
The Offering	335,203,200 Units offered under the Placement Tranche and the Singapore Public Offer, subject to the Over-Allotment Option. The Singapore Offer Agreement was entered into on 8 July 2019 in connection with the Singapore Public Offer. The Placement Agreement is expected to be entered into on or prior to the closing date for the Singapore Public Offer, being 15 July 2019. If, for any reason, the Placement Agreement is not entered into, the Offering will not proceed and all application monies will be refunded (without interest or any share of revenue or other benefit arising therefrom) to all applicants, at their own risk (provided that such refunds are made in accordance with the procedures set out in the instructions booklet on ''Terms, Conditions and Procedures for Application for the Offering Shares in Singapore'').
The Placement Tranche	318,442,200 Units offered by way of an international placement to investors, other than KBS REIT Properties III and the Cornerstone Investors, pursuant to the Offering. The Units have not been and will not be registered under the Securities Act or the securities law of any other jurisdiction, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Units are being offered and sold only outside the United States in offshore transactions as defined in and in reliance on the exemption from registration provided by Regulation S.
The Singapore Public Offer	No less than 16,761,000 Units will be offered by way of a public offer in Singapore.
Clawback and Re-allocation	The Units may be re-allocated between the Placement Tranche and the Singapore Public Offer at the discretion of the Joint Bookrunners (in consultation with the Manager), subject to the minimum unitholding and distribution requirements of the SGX-ST.
Subscription by KBS REIT Properties III	Concurrently with, but separate from the Offering, KBS REIT Properties III, an indirect wholly-owned subsidiary of KBS REIT III, has entered into the KBS Subscription

	Agreement to subscribe for an aggregate of 228,408,999 Units, conditional upon the Placement Agreement and the Singapore Offer Agreement having been entered into, and not having been terminated, pursuant to its terms on or prior to the date and time on which the Units are issued as settlement under the Offering (the "**Settlement Date**").
Subscription by the Cornerstone Investors	Concurrently with, but separate from the Offering, each of AT Investments Limited, KCIH, Times Properties Private Limited, Linda Bren 2017 Trust, The Schreiber Trust, Credit Suisse AG, Singapore Branch and Credit Suisse AG, Hong Kong Branch (on behalf of certain of their private banking clients), DBS Bank Ltd., DBS Bank Ltd. (on behalf of certain of its wealth management clients) and Hiap Hoe Investment Pte. Ltd. (collectively, the "**Cornerstone Investors**") has entered into a separate subscription agreement to subscribe for an aggregate of 360,251,800 Units at the Offering Price, conditional upon the Placement Agreement and the Singapore Offer Agreement having been entered into, and not having been terminated, pursuant to its terms on or prior to the Settlement Date. In the event that any one or more of the Cornerstone Investors fails to subscribe for and pay for the Cornerstone Units which they have committed to subscribe, the Offering may still proceed and subscribers of the Units to be issued under the Offering will still be required to pay for and complete their subscriptions pursuant to the Offering. (See "Ownership of the Units – Information on the Cornerstone Investors" for further details.)
Subscription for Units in the Singapore Public Offer	Investors applying for Units by way of Application Forms or Electronic Applications (both as referred to in Appendix G, "Terms, Conditions and Procedures for Application for and Acceptance of the Units in Singapore") in the Singapore Public Offer will pay the Offering Price in Singapore dollars and will pay S$1.20 (such amount being equivalent to US$0.88 based on the exchange rate of US$1.00 to S$1.3636, as determined by the Manager in consultation with DBS Bank Ltd.) on application, subject to a refund of the full amount or, as the case may be, the balance of the application monies (in each case, without interest or any share of revenue or other benefit arising therefrom) where: (i) an application is rejected or accepted in part only; or (ii) the Offering does not proceed for any reason. For the purpose of illustration, an investor who applies for 1,000 Units by way of an Application Form or an

	Electronic Application under the Singapore Public Offer will have to pay S$1,200, which is subject to a refund of the full amount or the balance thereof (without interest or any share of revenue or other benefit arising therefrom), as the case may be, upon the occurrence of any of the foregoing events. **The minimum initial subscription is for 1,000 Units. An applicant may subscribe for a larger number of Units in integral multiples of 100.** No fee is payable by applicants for the Units, save for an administration fee for each application made through ATM and the internet banking websites of the Participating Banks, and the mobile banking interface of DBS Bank Ltd.
Unit Lender	KBS REIT Properties III
Over-Allotment Option	In connection with the Offering, it is expected that the Joint Bookrunners will be granted an option on the date of the Placement Agreement by the Unit Lender to purchase up to an aggregate of 46,193,000 Units (13.8% of the Offering Units) from the Unit Lender at the Offering Price. The Over-Allotment Option is exercisable by the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager), in consultation with the other Joint Bookrunners, in full or in part, on one or more occasions, only from the Listing Date but no later than the earliest of (i) the date falling 30 days from the Listing Date; or (ii) the date when the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) has bought, on the SGX-ST, an aggregate of 46,193,000 Units, representing 13.8% of the total number of Units in the Offering, to undertake stabilising actions. Unless indicated otherwise, all information in this document assumes that the Over-Allotment Option is not exercised. (See "Plan of Distribution" for further details.) The total number of Units in issue immediately after the close of the Offering will be 923,864,000 Units. The exercise of the Over-Allotment Option will not increase this total number of Units in issue.
Lock-ups	Each of KBS REIT III, KBS REIT Holdings III, LLC ("**KBS REIT Holdings III**"), KBS Limited Partnership III ("**KBS LP III**") and KBS REIT Properties III has agreed to (i) a lock-up arrangement during the First Lock-up Period in respect of all their direct and indirect effective interest in the Lock-up Units (as defined herein) and (ii) a lock-up arrangement during the Second Lock-up Period (as defined herein) in respect of all their direct and indirect effective interest in 50.0% of the relevant Lock-up Units, subject to certain exceptions.

	Save for DBS Bank Ltd. in respect of its own investment, the Cornerstone Investors are not subject to any lock-up restrictions in respect of their Unitholdings. DBS Bank Ltd. has agreed to a lock-up arrangement during the First Lock-up Period in respect of its interest in the DBS Cornerstone Units (as defined herein) held by it, subject to certain exceptions. For the avoidance of doubt, the Units held by DBS Bank Ltd. (on behalf of certain private banking clients) will not be subject to any lock-up restrictions. The Manager has also undertaken not to offer, issue or contract to issue any Units, and to not make any announcements in connection with any of the foregoing transactions, during the First Lock-up Period, subject to certain exceptions. (See "Plan of Distribution – Lock-up Arrangements" for further details.)
Capitalisation	US$1,265.3 million (see "Capitalisation and Indebtedness" for further details).
Use of Proceeds	See "Use of Proceeds" and "Certain Agreements Relating to Prime US REIT and the Properties – Portfolio Purchase and Sale Agreement" for further details.
Listing and Trading	Prior to the Offering, there was no market for the Units. Application has been made to the SGX-ST for permission to list on the Main Board of the SGX-ST: • all the Units comprised in the Offering; • all the KBS Units; • all the Cornerstone Units; • all the Units which may be issued to the Manager from time to time in full or part payment of the Manager's fees (see "The Manager and Corporate Governance – The Manager of Prime US REIT – Fees Payable to the Manager" for further details); and • all the Units which may be issued from time to time for full or part payment of property managers' fees. Such permission will be granted when Prime US REIT is admitted to the Official List of the SGX-ST. The Units will, upon their issue, be listed and quoted on the SGX-ST and will be traded in U.S. dollars under the

	book-entry (scripless) settlement system of The Central Depository (Pte) Limited (“**CDP**”). The Units will be traded in board lot sizes of 100 Units.
Stabilisation	In connection with the Offering, the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) may, in consultation with the other Joint Bookrunners and at its discretion, over-allot or effect transactions which stabilise or maintain the market price of the Units at levels which might not otherwise prevail in the open market. However, there is no assurance that the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) will undertake stabilising action. Such transactions may be effected on the SGX-ST and in other jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulations (including the SFA and any regulations thereunder). Such transactions may commence on or after the date of commencement of trading in the Units on the SGX-ST and, if commenced, may be discontinued at any time and shall not be effected after the earliest of (i) the date falling 30 days from the commencement of trading in the Units on the SGX-ST or (ii) the date when the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) has bought on the SGX-ST all the Units under the Over- Allotment Option. (See “Plan of Distribution – Over-Allotment and Stabilisation” for further details.)
No Redemption by Unitholders	Unitholders have no right to request the Manager to redeem their Units while the Units are listed. Unitholders may only deal in their listed Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.
Distribution Policy and Distribution Currency	Distributions from Prime US REIT to Unitholders will be computed based on 100.0% of Prime US REIT’s Annual Distributable Income for the period from the Listing Date to the end of Projection Year 2020. Thereafter, Prime US REIT will distribute at least 90.0% of its Annual Distributable Income on a semi-annual basis. The first distribution, which will be in respect of the period from the Listing Date to 31 December 2019 (“**First Distribution**”), will be paid by the Manager on or before 31 March 2020. Distributions will be declared in U.S. dollars. Each Unitholder will receive his distribution in Singapore dollars equivalent of the U.S. dollar distribution declared, unless he elects to receive the relevant distribution in U.S. dollars by submitting a “Distribution

	Election Notice" by the relevant cut-off date. For the portion of the distributions to be paid in Singapore dollars, the Manager will make the necessary arrangements to convert the distributions in U.S. dollars into Singapore dollars, at such exchange rate as the Manager may determine, taking into consideration any premium or discount that may be relevant to the cost of exchange. CDP, the Manager or Prime US REIT shall not be liable for any loss arising from the conversion of distributions payable to Unitholders from U.S. dollars into Singapore dollars, save for approved depository agents (acting as nominees of their customers), each Unitholder may elect to receive his entire distribution in Singapore dollars or U.S. dollars and shall not be able to elect to receive distributions in a combination of Singapore dollars and U.S. dollars. (See "Distributions" for further details.)
Singapore Tax Considerations	Prime US REIT has obtained the Tax Rulings (as defined herein) in relation to certain Singapore income tax treatment of the income of Prime US REIT, Prime US REIT S1 Pte. Ltd. ("**Singapore Sub 1**") and the Singapore Lending Subs (as defined herein). The Tax Rulings are subject to certain terms and conditions. (See "Taxation" for further details.)
Termination of Prime US REIT	Prime US REIT can be terminated by either an Extraordinary Resolution (as defined herein) at a Unitholders' meeting duly convened and held in accordance with the provisions of the Trust Deed or by the Manager or the Trustee under certain circumstances specified in the Trust Deed, for example, if Prime US REIT is delisted permanently from the SGX-ST. (See "The Formation and Structure of Prime US REIT – Termination of Prime US REIT" for further details.)
Governing Law	The Trust Deed is governed by Singapore law.
Commission Payable by Prime US REIT to the Joint Bookrunners	The Manager will pay the Joint Bookrunners, as compensation for their services in connection with the Offering, the underwriting, selling and management commission, comprising of (i) a fixed commission of 2.0%; and (ii) an incentive fee payable at the discretion of the Manager of up to 0.45%, of the gross proceeds from the sale of the Units under the Placement Tranche and the Singapore Public Offer, certain of the Cornerstone Units and Units sold pursuant to the exercise of the Over-Allotment Option (the "**Underwriting, Selling and Management Commission**"). (See "Plan of Distribution – Issue Expenses" for further details.)
Risk Factors	**Prospective investors should carefully consider certain risks connected with an investment in the Units, as discussed under "Risk Factors".**

INDICATIVE TIMETABLE

An indicative timetable for the Offering is set out below for the reference of applicants for the Units:

Date and time		Event
8 July 2019, 9.00 p.m.	:	Opening date and time for the Singapore Public Offer.
15 July 2019, 12.00 p.m.	:	Closing date and time for the Singapore Public Offer.
16 July 2019	:	Balloting of applications under the Singapore Public Offer, if necessary. Commence returning or refunding of application monies to unsuccessful or partially successful applicants.
19 July 2019 at or before 2.00 p.m.	:	Completion of the acquisition of the Properties.
19 July 2019, 2.00 p.m.	:	Commence trading on the SGX-ST on a "ready" basis.
23 July 2019	:	Settlement date for all trades done on a "ready" basis on 19 July 2019.

The above timetable is indicative only and is subject to change. It assumes:

- that the closing of the application list relating to the Singapore Public Offer (the "**Application List**") is 15 July 2019;
- that the Listing Date is 19 July 2019;
- compliance with the SGX-ST's unitholding spread requirement; and
- that the Units will be issued and fully paid up prior to 2.00 p.m. on the Listing Date.

All dates and times referred to above are Singapore dates and times.

Trading in the Units through the SGX-ST on a "ready" basis will commence at 2.00 p.m. on the Listing Date (subject to the SGX-ST being satisfied that all conditions necessary for the commencement of trading in the Units through the SGX-ST on a "ready" basis have been fulfilled). The completion of the acquisition of the Properties is expected to take place at or before 2.00 p.m. on the Listing Date (see "Certain Agreements Relating to Prime US REIT and the Properties – Portfolio Purchase and Sale Agreement" for further details).

If Prime US REIT is terminated by the Manager or the Trustee under the circumstances specified in the Trust Deed prior to, or the acquisition of the Properties is not completed by, 2.00 p.m. on the Listing Date (being the time and date of commencement of trading in the Units through the SGX-ST), the Offering will not proceed and the application monies will be returned in full (without interest or any share of revenue or other benefit arising therefrom and at each applicant's own risk and without any right or claim against Prime US REIT, the Manager, the Trustee, the Sole Financial Adviser and Issue Manager, the Joint Bookrunners or the Sponsor).

In the event of any early or extended closure of the Application List or the shortening or extension of the time period during which the Offering is open, the Manager will publicly announce the same:

- via SGXNET, with the announcement to be posted on the internet at the SGX-ST website: http://www.sgx.com; and

- in one or more major Singapore newspapers, such as *The Straits Times*, *The Business Times* and *Lianhe Zaobao*.

For the date on which trading on a "ready" basis will commence, investors should monitor SGXNET, the major Singapore newspapers, or check with their brokers.

The Manager will provide details and results of the Singapore Public Offer through SGXNET and in one or more major Singapore newspapers, such as *The Straits Times*, *The Business Times* and *Lianhe Zaobao*.

The Manager reserves the right to reject or accept, in whole or in part, or to scale down or ballot any application for Units, without assigning any reason, and no enquiry and/or correspondence on the decision of the Manager will be entertained. In deciding the basis of allotment, due consideration will be given to the desirability of allotting the Units to a reasonable number of applicants with a view to establishing an adequate market for the Units.

Where an application is accepted or rejected in part only, the balance of the application monies will be refunded (without interest or any share of revenue or other benefit arising therefrom) to the applicant, at his own risk, within 14 days on which the SGX-ST is open for trading in securities ("**Market Days**") after the close of the Offering (provided that such refunds in relation to applications in Singapore are made in accordance with the procedures set out in Appendix G, "Terms, Conditions and Procedures for Application for and Acceptance of the Units in Singapore"). When the Offering does not proceed for any reason, the full amount of the application monies (without interest or any share of revenue or other benefit arising therefrom) will be refunded to the applicant within three Market Days after the Offering is discontinued, at his own risk (provided that such refunds in relation to applications in Singapore are made in accordance with the procedures set out in Appendix G, "Terms, Conditions and Procedures for Application for and Acceptance of the Units in Singapore"), and without any right or claim against Prime US REIT, the Manager, the Trustee, the Sole Financial Adviser and Issue Manager, the Joint Bookrunners or the Sponsor.

Where an application is not successful, the refund of the full amount of the application monies (without interest or any share of revenue or other benefit arising therefrom) to the applicant, is expected to be completed, at his own risk within 24 hours after balloting (provided that such refunds in relation to applications in Singapore are made in accordance with the procedures set out in Appendix G, "Terms, Conditions and Procedures for Application for and Acceptance of the Units in Singapore").

UNAUDITED PRO FORMA FINANCIAL INFORMATION

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and on the basis of the assumptions and accounting policies set out in Appendix C "Unaudited Pro Forma Consolidated Financial Information", and hence, may not give a true picture of the actual profit or loss and financial position of Prime US REIT. The Unaudited Pro Forma Financial Information should be read together with these assumptions and accounting policies.

Unaudited Pro Forma Consolidated Statement of Financial Position(1)

	As at 31 December 2018
	US$'000
Current Assets:	
Cash and cash equivalents	27,459
Prepaid expenses and other assets	629
Total current assets	**28,088**
Non-current Assets:	
Investment properties	1,222,150
Total non-current assets	**1,222,150**
Total assets	**1,250,238**
Current Liabilities:	
Accounts payable and accrued liabilities	17,231
Other liabilities	4,542
Total current liabilities	**21,773**
Non-current Liabilities:	
Loans and borrowings	448,558
Rental security deposits	2,315
Preferred shares	125
Total non-current liabilities	**450,998**
Total liabilities	**472,771**
Net assets attributable to Unitholders	**777,467**
Units in issue ('000)	923,864
Net asset value per Unit (US$)	0.84

Note:

(1) Based on the Offering Price of US$0.88 per Unit.

Unaudited Pro Forma Consolidated Statements of Comprehensive Income

	Year Ended 31 December		
	2016	**2017**	**2018**
	US$'000	**US$'000**	**US$'000**
Revenue:			
Rental income	84,799	84,592	90,929
Recoveries income	14,886	16,735	18,532
Other operating income	7,916	8,135	8,993
Gross Revenue	**107,601**	**109,462**	**118,454**
Expenses:			
Operating, maintenance and management	(25,390)	(26,562)	(28,665)
Real estate taxes and insurance	(13,583)	(14,885)	(15,440)
Property expenses	**(38,973)**	**(41,447)**	**(44,105)**
Net Property Income	**68,628**	**68,015**	**74,349**
Manager's Base Fee	(4,229)	(4,516)	(5,110)
Manager's Performance Fee	—	—	(1,089)
Trustee's fee	(244)	(244)	(244)
General and administrative expenses	(3,500)	(3,500)	(3,605)
Finance expenses	(14,887)	(15,447)	(17,019)
Net income before tax, fair value change in investment properties and other non-operating income	**45,768**	**44,308**	**47,282**
Finance income	7	5	29
Fair value change in investment properties	(12,429)	(4,560)	(3,814)
Tax expense	(8,544)	(8,675)	(5,455)
Net income after tax and fair value change in investment properties	**24,802**	**31,078**	**38,042**

Unaudited Pro Forma Consolidated Statement of Cash Flows

	Year ended 31 December 2018
	US$'000
Cash flows from operating activities:	
Net income	35,707
Adjustments for:	
Straight-line rent and amortisation of lease incentives	(6,593)
Manager's fee paid/payable in Units	4,093
Finance expenses	16,877
Amortisation of lease commissions	195
Fair value change in investment properties	10,733
Changes in working capital:	
Rent and other receivables	(1,274)
Prepaid expenses and other assets	(268)
Accounts payable and accrued liabilities	(124)
Deferred tax	5,298
Other liabilities	601
Net cash flows generated from operating activities	**65,245**
Cash flows from investing activities:	
Acquisition of investment properties and related assets and liabilities	(1,209,822)
Additions to investment properties	(25,218)
Acquisition costs	(4,335)
Cash flows used in investing activities	**(1,239,375)**
Cash flows from financing activities:	
Proceeds from issuance of units	813,000
Payments of costs related to issuance of units	(31,198)
Proceeds from debt financings	452,196
Increase in borrowings for capital expenditures	25,218
Payment of debt related transaction costs	(3,638)
Proceeds from preferred shares	125
Finance expenses paid	(14,854)
Distribution to unitholders	(25,164)
Cash flows generated from financing activities	**1,215,685**
Net increase in cash and cash equivalents	**41,555**
Cash and cash equivalents at beginning of the year	—
Cash and cash equivalents at end of the year	**41,555**

PROFIT FORECAST AND PROFIT PROJECTION

Statements contained in the Profit Forecast and Profit Projection section that are not historical facts may be forward-looking statements. Such statements are based on the assumptions set forth in this section of the Prospectus and are subject to certain risks and uncertainties which could cause actual results to differ materially from those forecast and projected. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by any of Prime US REIT, the Sole Financial Adviser and Issue Manager, Joint Bookrunners and Underwriters, the Trustee, the Sponsor or any other person, or that these results will be achieved or are likely to be achieved. (See "Forward-looking Statements" and "Risk Factors" for further details.) Investors in the Units are cautioned not to place undue reliance on these forward-looking statements which are made only as of the date of this Prospectus.

None of Prime US REIT, the Sole Financial Adviser and Issue Manager, Joint Bookrunners and Underwriters, the Trustee, or the Sponsor guarantees the performance of Prime US REIT, the repayment of capital or the payment of any distributions, or any particular return on the Units. The forecast and projected yields stated in the following table are calculated based on:

- ***the Offering Price; and***
- ***the assumption that the Listing Date is 1 April 2019.***

Such yields will vary accordingly if the Listing Date is not 1 April 2019, or for investors who purchase Units in the secondary market at a market price that differs from the Offering Price.

The following table shows Prime US REIT's forecast and projected Consolidated Statements of Comprehensive Income and Distribution for Forecast Period 2019 and Projection Year 2020. The financial year end of Prime US REIT is 31 December. The Profit Forecast and Profit Projection may be different to the extent that the actual date of issuance of Units is other than 1 April 2019, being the assumed date of the issuance of Units for the Offering. The Profit Forecast and Profit Projection are based on the assumptions set out below and have been examined by the Reporting Auditor, being Ernst & Young LLP, and should be read together with the report "Reporting Auditor's Report on the Profit Forecast and Profit Projection" set out in Appendix A, as well as the assumptions and the sensitivity analysis set out in this section of the Prospectus.

Forecast and Projected Consolidated Statements of Comprehensive Income and Distribution

The forecast and projected Consolidated Statements of Comprehensive Income and Distribution are as follows:

	Forecast Period 2019 (Nine months from 1 April 2019 to 31 December 2019)	Projection Year 2020 (Full year from 1 January 2020 to 31 December 2020)
	(US$'000)	**(US$'000)**
Gross Revenue	98,606	134,724
Property expenses	(33,786)	(46,546)
Net Property Income	**64,820**	**88,178**
Manager's Base Fee	(4,607)	(6,364)
Trustee's fees	(183)	(244)
General and administrative expenses	(2,625)	(3,500)
Finance expenses (1)	(11,890)	(16,424)
Net Income before tax and fair value change in investment properties	**45,514**	**61,645**
Fair value change in investment properties(2)	(8,999)	(5,189)
Net Income before tax	**36,515**	**56,456**
Tax expense(3)	(4,331)	(5,775)
Net Income after tax and fair value change in investment properties	**32,184**	**50,681**
Distribution adjustments (4)	12,969	11,688
Income available for distribution to Unitholders	**45,153**	**62,369**
Number of Units issued at the end of the year(5) ('000)	926,617	932,368
Distribution per Unit		
- US$ cents(6)	4.87	6.70
Distribution Payout Ratio	100%	100%
Offering Price (US$)	0.88	0.88
Distribution Yield	**7.4%** (7)	**7.6%**

Notes:

(1) Finance expenses comprise interest expense on borrowings and commitment fees on credit facilities, dividends on preferred shares and amortisation of debt-related transaction costs.

(2) See "Profit Forecast and Profit Projection – Assumptions – Fair value change in investment properties" for further details.

(3) Relates to deferred tax expenses only.

(4) See "Profit Forecast and Profit Projection – Assumptions – Distribution Adjustments" for further details.

(5) Excludes units issued to the Manager for its fees for the fourth quarter of each year as these units will be issued after the books closure date for the dividend for the second half of each year.

(6) Calculated by adding the DPU payable for the first half of the year (from 1 April 2019 to 30 June 2019 for the Forecast Period 2019) and the DPU payable for the second half of the year. The dividend for the first half of the year is not paid on the units issued to the Manager for its fees for the quarter ended 30 June as these units will be issued after the books closure date for the dividend for that period. The dividend for the second half of the year is not paid on the units issued to the Manager for its fees for the quarter ended 31 December as these units will be issued after the books closure date for the dividend for that period.

(7) Calculated by annualising the DPU for the Forecast Period 2019.

RISK FACTORS

An investment in the Units involves risk. Prospective investors should consider carefully, together with all other information contained in this Prospectus, the factors described below before deciding to invest in the Units. The risks described below are by no means exhaustive or comprehensive, and there may be other risks in addition to those shown below which are not known to the Manager or which may not be material now but could turn out to be material in the future. Additional risks, whether known or unknown, may in the future have a material adverse effect on Prime US REIT and impair the business operations of Prime US REIT. The business, financial condition, results of operations and prospects of Prime US REIT could be materially and adversely affected by any of these risks, which may reduce the ability of Prime US REIT to make distributions to Unitholders.

This Prospectus also contains forward-looking statements (including a profit forecast and profit projection) that involve risks, uncertainties and assumptions. The actual results of Prime US REIT could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by Prime US REIT as described below and elsewhere in this Prospectus.

As an investment in a REIT is meant to produce returns over the long-term, investors should not expect to obtain short-term gains.

Investors should be aware that the price of Units, and the income from them, may fall or rise. Investors should note that they may not get back their original investment.

Before deciding to invest in the Units, prospective investors should seek professional advice from their relevant advisers about their particular circumstances.

RISKS RELATING TO THE STRUCTURE OF PRIME US REIT

There are limitations on the ownership of units in Prime US REIT.

Unitholders, including the Manager and its direct or indirect owners and affiliates (including any affiliates of the Trustee), are subject to the Unit Ownership Limit, that is, they are prohibited from directly or indirectly owning in excess of 9.8% of the outstanding Units. This limitation is to ensure that the Parent U.S. REIT maintains its status as a U.S. REIT. Specifically, a U.S. REIT is not permitted to be more than 50% owned, directly or indirectly, by five or fewer individuals. To help comply with this requirement, this limitation restricts transfers of Units that would otherwise result in concentrated ownership positions. Further, such restriction is necessary to ensure that the interest paid to the Singapore Lending Sub(s) by the Parent U.S. REIT pursuant to the loan(s) from the Singapore Lending Sub(s) to the Parent U.S. REIT qualifies for favourable tax treatment in the hands of the Unitholders, under the U.S. Portfolio Interest Exemption.

Investors should note that the determination of the Units held by a person for purposes of the Unit Ownership Limit is computed pursuant to the rules of the IRC which includes rules relating to Beneficial Ownership (through the application of Section 544 of the IRC, as modified by Section 856(h) of the IRC) and Constructive Ownership (through the application of Section 318(a) of the IRC, as modified by Section 856(d)(5) of the IRC) which could be different from interests in Units as determined pursuant to the SFA. Unitholders should consult their own legal and tax advisers regarding the application of the rules of the IRC in relation to the restriction on ownership of Units in excess of 9.8% of the outstanding Units.

Absent any exemption or waiver from the Unit Ownership Limit (which can be granted by the Trustee, acting in accordance with the recommendation of the Manager, if such ownership would not impact Parent U.S. REIT's qualification as a U.S. REIT and if applicable, the Unitholder waives its eligibility for the U.S. Portfolio Interest Exemption), Units acquired or held in excess of the Unit Ownership Limit will be subject to Automatic Forfeiture, and the Unitholder's rights to distributions and to vote would terminate. The Trustee (on the recommendation of the Manager) has the right and power to dispose of such Units. The Unitholder from whom the Units are forfeited is entitled to receive the proceeds (net of any commissions and expenses) from the disposition, but not in excess of (a) the price paid by such Unitholder for the forfeited Units or (b) if such Unitholder did not give value for the forfeited Units in connection with the event causing the Units to be forfeited (e.g. in the case of a gift, a non-pro rata Unit buy-back, a non-pro rata Unit consolidation or other corporate action where no acquisition or transfer of Units by a Unitholder takes place but has the result of increasing a Unitholder's proportionate Unitholdings), the market price of the Units on the day of the event causing the Automatic Forfeiture, in each case less certain distributions received by the Unitholder. Any distribution received by the Trustee on account of the forfeited Units shall be deemed for all purposes as part of the proceeds received from the sale of the forfeited Units. (See "Important Notice Regarding the Ownership of Units – Restriction on ownership of Units in excess of 9.8% of the outstanding Units" for further details.)

This limitation on ownership of Units could delay, discourage or, as the case may be, prevent a transfer of Units or the ability to acquire control of Prime US REIT and, as a result, may adversely affect the ability to realise any potential change of control premium.

The Parent U.S. REIT may lose its status as a U.S. REIT.

Qualification as a U.S. REIT depends on satisfying complex statutory requirements for which there are only limited judicial and administrative interpretations. The determination of whether the Parent U.S. REIT continues to qualify as an U.S. REIT requires ongoing satisfaction of certain tests concerning, among other things, the nature of its assets, the sources of its income, and the amounts it distributes to its shareholders. While the Manager has taken and will continue to take measures to ensure that the Parent U.S. REIT qualifies as an U.S. REIT, some matters may not be totally within its control. For example, U.S. REITs cannot be closely held, i.e. no more than 50% of its outstanding shares can be owned by five or fewer individuals, regardless of whether such interest is held directly or indirectly. Further, to qualify as a U.S. REIT, at least 95% of the entity's gross income must be derived from qualifying sources such as rents from real property. In order to qualify as rents from real property, the amount of rent received generally must not be based on the income or profits of any person, but may be based on a fixed percentage or percentages of receipts or sales. The Manager believes that none of the rent received by Parent U.S. REIT will be treated as based on the income or profits of any person, including tenants' payments of pass-through charges, such as the cost of utilities, property taxes and similar items, but the IRS or a court may disagree.

Further, amounts otherwise qualifying as such rents will not qualify if the tenant is related to the lessor U.S. REIT. The Manager believes that the measures it will take to ensure that such disqualified rents (together with any other disqualified income) will not exceed 5% of the entity's gross income for the applicable year are reasonable. (See "Taxation – U.S. Federal Income Tax Overview – U.S. Federal Income Taxation of the Parent U.S. REIT – Income Tests" for further details of when a tenant is considered to be related to a U.S. REIT and other income test limitations.)

Technical or inadvertent breaches may jeopardise the U.S. REIT status of the Parent U.S. REIT. Furthermore, the U.S. Congress or the IRS might make changes to the tax laws and regulations, and the courts might issue new rulings that make it more difficult, or impossible, for the Parent U.S. REIT to remain qualified as a U.S. REIT.

In the event of the loss of its U.S. REIT status, the Parent U.S. REIT will be subject to U.S. federal income tax at regular corporate rates, currently 21%, plus any applicable state taxes.

Also, absent an applicable relief provision, the disqualified entity will generally be unable to qualify as a U.S. REIT for the four taxable years following the taxable year in which the termination was effective. If the Parent U.S. REIT fails to qualify as an U.S. REIT, it may have to pay significant income taxes, in amounts that cannot be calculated at this time, and would therefore have less money available for investments or to pay dividends and distributions to upstream shareholders. Finally, even if the Parent U.S. REIT is able to utilise relief provisions and thereby avoid disqualification for taxation as an U.S. REIT, relief provisions typically involve paying a penalty tax in proportion to the severity and duration of the non-compliance with U.S. REIT requirements, and these penalty taxes could be significant.

Thus, whether or not a relief provision is applicable, failure to satisfy the various statutory tests could have a material adverse effect on Prime US REIT's financial condition, cash flows and results of operations and consequentially may have a material adverse effect on Prime US REIT's ability to make distributions to Unitholders and the value of the Units. (See "Taxation – U.S. Federal Income Tax Overview – U.S. Federal Income Taxation of the Parent U.S. REIT" for further details). Note that any Property Holding LLCs that elect REIT status will also be subject to the risk factors related to US REITs as described herein.

U.S. REITs are required to distribute at least 90% of their annual real estate investment trust taxable income (excluding capital gains) and are dependent on their ability to raise capital necessary to repay their debts, invest in properties or fund acquisitions.

To qualify for taxation as a U.S. REIT, the Parent U.S. REIT is generally required to distribute at least 90% of its annual U.S. real estate investment trust taxable income (excluding capital gains) and satisfy a number of organisational and operational requirements to which a U.S. REIT is subject. In addition, it will be subject to a 4% non-deductible excise tax if the actual amount that it distributes in a calendar year is less than a minimum amount specified under U.S. federal tax laws. Accordingly, it generally may not be able to retain sufficient cash from operations to repay debts, invest in properties or fund acquisitions. Its business and growth strategies depend, in part, upon the ability to raise additional capital at reasonable costs to repay its debts, invest in properties and fund acquisitions. Because of the volatility in the availability of capital to businesses on a global basis and the increased volatility in most debt and equity markets generally, the ability of Prime US REIT to raise reasonably priced capital is not guaranteed. If Prime US REIT is unable to raise reasonably priced capital, its business and growth strategies may fail and the Parent U.S. REIT may be unable to retain its qualification for taxation as a U.S. REIT.

Even if the Parent U.S. REIT qualifies and remain qualified as a U.S. REIT, it may face other tax liabilities that reduce cash flow.

Even if the Parent U.S. REIT qualifies and remains qualified for taxation as a U.S. REIT, it may be subject to certain U.S. federal, state and local taxes on its income and assets, including taxes on any undistributed income, excise taxes, franchise taxes, state or local income, property and transfer taxes. Any of these taxes could have a material adverse effect on the business, financial condition, cash flows and results of operations of Prime US REIT and/or any of its direct and indirect subsidiaries (the "**Group**") and consequentially may have a material adverse impact on distributions to be made by Prime US REIT.

Prime US REIT may be treated as engaging in a U.S. trade or business and Unitholders may become subject to U.S. taxation.

Prime US REIT is organised under the laws of Singapore and intends to operate in a manner that will not cause it to be treated as engaging in a United States trade or business or cause Unitholders to be subject to United States federal income taxation on its net income. However, because there are no definitive standards provided by the IRC, United States Treasury regulations or court decisions as to the specific activities that constitute being engaged in the conduct of a trade or business within the United States, and as any such determination is essentially factual in nature, there can be no assurance that the IRS will not successfully assert that Prime US REIT is engaged in a trade or business in the United States. Further, the IRS will not issue private rulings on whether an entity is engaged in the conduct of a trade or business within the United States. If Prime US REIT is treated as engaging in a U.S. trade or business, each Unitholder will be treated under the IRC as being engaged in that trade or business. In such case, Unitholders may have an obligation to file a U.S. federal income tax return and may be subject to U.S. taxation on distributions attributable to interest payments from the Parent U.S. REIT to the Singapore Lending Sub(s) as well as their distributive shares of any other income of Prime US REIT (whether or not distributed) that is effectively connected with the U.S. trade or business. If Unitholders are subject to U.S. taxation, it may lead to a reduction in distributions received.

Interest payments from the Parent U.S. REIT may be subject to U.S. federal income tax withholding.

Other than as described below, interest payments from the Parent U.S. REIT to the Singapore Lending Sub(s) attributable to the loan(s) from the Singapore Lending Sub(s) are expected to qualify as “portfolio interest” so that such payments should not be subject to U.S. federal withholding tax and Unitholders that are not U.S. Persons should not be subject to U.S. federal income tax on their distributive shares of such payments.

However, in order for a Unitholder’s proportional share of interest payments to qualify as “portfolio interest” for U.S. federal income tax purposes, that Unitholder, including the Manager and its direct or indirect owners and affiliates, must meet specified requirements, including providing a properly completed and validly executed applicable IRS Form W-8 and the certificates set forth in Appendix I. (See “Taxation – U.S. Federal Income Tax Overview – U.S. Federal Income Taxation of Interest Payments from the Parent U.S. REIT to Singapore Sub 2 – Considerations Affecting Unitholders” and Appendix I for further details.) Further, the IRS has broad authority to recharacterise or adjust interest payments between related persons. If interest does not qualify as portfolio interest, is recharacterised by the IRS, or is adjusted by the IRS, additional U.S. withholding taxes may apply, which would adversely impact cash available for distribution to Unitholders. (See “Important Notice Regarding the Ownership of Units – Distributions will be reduced if Unitholder does not submit required US Tax Forms” for further details.)

Changes in taxation legislation, administrative guidance, practice, regulations, any disagreement as to the interpretation thereof, and/or any tax ruling ceasing to apply, may adversely affect Prime US REIT, its subsidiaries, Unitholders and/or the Manager (and its owners).

Any change in the Singapore taxation legislation, administrative guidance, practice, regulations, any disagreement as to the interpretation thereof, that applies to the Group, and/or any Singapore tax ruling applicable to the Group ceasing to apply, could result in additional Singapore tax liability for Prime US REIT, its subsidiaries, Unitholders and/or the Manager (and its owners).

Any change in the tax status of the Group, or change in taxation legislation, administrative guidance, or regulation (or any disagreement as to the interpretation thereof) that applies to the Group, could adversely affect the distributions paid by the Group.

In addition, any such tax changes could adversely affect the value of the Group’s investments, and/or increase the U.S. and non-U.S. tax liabilities of the Group and/or affect the Group’s ability to achieve its investment objectives. Such changes could have a significant negative impact on Prime US REIT, its unitholders and/or the Manager (and its owners).

For example, the U.S. tax legislation modifying the IRC enacted in December 2017 ("**U.S. 2017 Tax Legislation**") impacted the deductibility of certain interest expense for taxable years beginning after 31 December 2017. The United States Department of the Treasury has released proposed regulations (the "**Proposed Regulations**") addressing the relevant provisions of the U.S. 2017 Tax Legislation and is expected to finalise these regulations in 2019 with an effective date of 1 January 2018. The Independent U.S. Tax Adviser has advised that under the Proposed Regulations, the U.S. 2017 Tax Legislation should not negatively affect the deductibility of any interest paid by the Parent U.S. REIT to the Singapore Lending Sub(s) as Prime US REIT's structure does not fall within the Proposed Regulations. Although the Manager expects the final regulations should similarly not result in the denial of any deduction for interest paid by the Parent U.S. REIT to the Singapore Lending Sub(s), the final regulations could differ materially from the Proposed Regulations.

If final regulations result in the non-deductibility of any interest payments by the Parent U.S. REIT, the Group may face material U.S. and/or non-U.S. tax payments and other costs, and may be required to engage in restructuring at significant additional costs (including costs incurred on an ongoing basis). All such additional tax and/or costs would potentially have a material adverse effect on the Group's financial condition, cash flows and results of operations.

Recent U.S. tax legislation may adversely affect the deductibility of interest payments by Parent U.S. REIT to the Singapore Lending Subs.

The U.S. 2017 Tax Legislation generally disallows a deduction for any "disqualified related party amount" paid or accrued pursuant to a hybrid transaction or by, or to, a hybrid entity. The term "disqualified related party amount" is any interest paid or accrued to a related party to the extent that: (1) such amount is not included in the income of such related party under the tax law of the country of which such related party is a resident for tax purposes or is subject to tax, or (2) such related party is allowed a deduction with respect to such amount under the tax law of such country. A "hybrid transaction" includes payments which are treated as interest under U.S. tax law but are not so treated under the tax law of the foreign country of which the recipient of such payment is resident for tax purposes or is subject to tax.

The Singapore Lending Sub(s) is a related party of Parent U.S. REIT for purposes of Section 267A.

The Proposed Regulations generally focus on certain related party payments or accruals of interest for U.S. tax purposes that involve hybrid arrangements (generally arrangement that exploit differences under U.S. and foreign tax law between the tax characterisation of an entity as transparent or opaque or difference in the treatment of income from financial instruments or other transactions) or similar arrangements involving branches. The Proposed Regulations generally target hybrid arrangements that rely specifically on hybridity to produce an outcome in which there is a deduction (i.e. Parent U.S. REIT's interest deduction), but no corresponding inclusion of income (referred to as a "deduction/no inclusion"). In such arrangements, the payor's interest expense deduction (i.e. Parent U.S. REIT's interest deduction) may be denied. The Proposed Regulations do not generally address "dividend / no inclusion" outcomes that are not the result of hybridity.

As of the date of this Prospectus, the Manager believes, based on the advice of the Independent U.S. Tax Adviser, that Prime US REIT's structure should not be covered by the statutory language of Section 267A as applied pursuant to the Proposed Regulations as the interest payments should be treated as interest under U.S. tax law and under Singapore tax law, but there can be no assurance that the Manager's position will be accepted by the IRS, or by a U.S. court, if it were challenged.

The Final Regulations and/or other guidance may operate to disallow some or all interest deductions at the Parent U.S. REIT level, resulting in serious impairment to the U.S. federal income tax efficiency of the structure, potentially negatively impacting the Prime US REIT, its Unitholders, and its Manager (and the Manager's owners). Further, the Final Regulations may result in significant U.S. withholding tax imposed on any interest payments from Parent U.S. REIT or may require certain restructuring. The substance of the Final Regulations may make restructuring costly or even impossible. In addition, the Final Regulations or other guidance may not be in the same form as proposed and/or temporary regulations, which may result in a further need to restructure Prime US REIT, at potentially significant cost (if such restructuring is even viable under such final regulations).

All additional taxes and/or costs described above would potentially have a material adverse effect on Prime US REIT's financial condition, cash flows and results of operations.

Entities operating in Singapore and the United States are subject to a variety of taxes and changes in legislation or the rules relating to such tax regimes could materially and adversely affect Prime US REIT's business, prospects and results of operations.

The governments of each of Singapore or the United States may in the future amend the tax legislation or rules, regulations, guidelines and practice relating to taxation with either prospective or retroactive effect and this may affect the overall tax liabilities of the Singapore or U.S. entities, respectively, in the Group and result in significant additional taxes becoming payable by such entities. Such additional tax exposure could have a material adverse effect on the Group's business, financial condition, cash flows and results of operations and consequentially may have a material adverse impact on distributions to be made by Prime US REIT.

Prime US REIT may not be able to comply with the terms of the Tax Rulings, or the Tax Rulings may be revoked or amended.

The Manager has obtained the Tax Rulings from the IRAS in relation to certain Singapore income tax treatment of the income of Prime US REIT, Singapore Sub 1 and the Singapore Lending Sub(s).

To the extent that the structure of Prime US REIT, the activities of the relevant entities in the Prime US REIT structure, the transaction and distribution flows and the key features of the new Notes / Loans to be issued / provided remain the same as those represented to the IRAS in the application for the Tax Rulings, the Tax Rulings will remain valid:

(a) in relation to subsequent Notes / Loans that may be issued / provided in relation to the acquisition of the IPO portfolio and in relation to the future acquisitions post-IPO; and

(b) for the duration or term that Prime US REIT is listed on the SGX-ST.

The Tax Rulings were made based on the IRAS' understanding that the steps to be taken in the proposed arrangements by the Sponsor and/or Manager will be in compliance with applicable laws and regulations in the U.S..

The Tax Rulings were made based on facts presented to the IRAS in the application for the Tax Rulings and on the IRAS' current interpretation and application of the existing tax laws.

The Tax Rulings shall apply in relation to an arrangement as a ruling on a provision of the SITA only if the provision is expressly referred to in the Tax Rulings.

The Tax Rulings shall automatically not apply if:

(a) the arrangement is materially different from the arrangement identified in the application for the Tax Rulings;

(b) there was a material omission or misrepresentation in, or in connection with, the application for the Tax Rulings;

(c) an assumption about a future event or another matter that is material to the Tax Rulings, stated either in the Tax Rulings or in the application for the Tax Rulings, subsequently proves to be incorrect; or

(d) the IRAS stipulates a condition that is not satisfied.

In addition, where a provision of the SITA is repealed or amended, the Tax Rulings shall automatically not apply from the date of the repeal or amendment to the extent that the repeal or the amendment changes the way the provision applies in the Tax Rulings. Further, the IRAS may at any time withdraw the Tax Rulings from such date specified, by notifying the Manager in writing of the withdrawal and the reasons therefor.

If the Tax Rulings are withdrawn or amended, or if the Tax Rulings cease to apply for any reason, for example, because the facts on which the Tax Rulings were issued are no longer applicable or if Prime US REIT is unable to comply with the stipulated conditions, Prime US REIT may suffer increased Singapore tax liability, which in turn could affect the amount of distributions made to Unitholders.

RISKS RELATING TO THE PROPERTIES

Prime US REIT may be adversely affected by economic and real estate market conditions, as well as changes in regulatory, fiscal and other governmental policies in the United States.

The IPO Portfolio is, and future Properties will be, located in the United States. As a result, Prime US REIT's Gross Revenue and results of operations depend upon the performance of the U.S. economy. An economic decline in the United States could adversely affect Prime US REIT's results of operations and future growth.

In addition, the U.S. economy is affected by global economic conditions. Global credit markets have experienced, and may continue to experience, volatility and liquidity disruptions, which have resulted in the consolidation, failure or near failure of a number of institutions in the banking and insurance industries. These events could adversely affect Prime US REIT insofar as they result in:

- an increase in the unemployment rate in the United States;
- a negative impact on the ability of the tenants to pay their rents in a timely manner or continue their leases, thus reducing Prime US REIT's cash flow;
- a decline in the demand for leased office space across the United States and the rents that can be charged when leases are renewed or new leases are entered compared to rents that are currently charged;
- a decline in the market values of the Properties;
- access to capital markets becoming more difficult, expensive or impossible resulting in a material adverse effect on Prime US REIT's ability to obtain debt or equity capital to fund its operations, meet its obligations, purchase additional properties or otherwise conduct its business;
- an increase in counterparty risk (being the risk of monetary loss which Prime US REIT may be exposed to if any of its counterparties encounters difficulty in meeting its obligations under the terms of its respective transaction); and/or

- an increased likelihood that one or more of (i) Prime US REIT's banking syndicates (if any) or (ii) Prime US REIT's insurers, may be unable to honour their commitments to Prime US REIT.

It is uncertain as to whether the U.S. economy will continue to improve or if it will decline. There is also uncertainty as to the strength of the global economy, consumer demand and the impact of the global downturn on the U.S. economy.

Further, Prime US REIT and the Properties will be subject to U.S. real estate laws, regulations and policies. In addition, the U.S. real estate market may be adversely affected due to interest rate hikes by the Federal Reserve, which would cause the cost of borrowing to rise. This may in turn lead to a fall in property prices. While there are no current exchange control restrictions or limitations on foreign investment in most types of commercial office properties in the United States, there can be no assurance that regulatory, fiscal, monetary or governmental policies in the United States will not change. Changes in the economic and real estate market conditions, as well as changes in regulatory, fiscal and other governmental policies in the United States may adversely affect Prime US REIT's results of operations and the ability to make regular distributions to its Unitholders.

Prime US REIT is dependent upon the economic climates of the markets in which the Properties are located.

Prime US REIT's revenue is currently derived from properties located in nine primary markets in the U.S.: San Francisco Bay Area, Salt Lake City, Denver, Dallas, San Antonio, St. Louis, Atlanta, Washington D.C. and Philadelphia. A downturn in the economies of any of these markets, or the impact that a downturn in the overall national economy may have upon these economies, could result in reduced demand for office space. Additionally, submarkets in which Prime US REIT operates are dependent upon a limited number of industries such as law firms and healthcare institutions. Moreover, new construction of office buildings may lead to a reduced demand in older office buildings. As the IPO Portfolio is, and future Properties will be office buildings (as compared to a more diversified real estate portfolio), a decrease in demand for office space in turn may adversely affect Prime US REIT's results of operations and its ability to make regular distributions to Unitholders.

The Properties might be adversely affected if the Manager, the U.S. Asset Manager, the Property Manager or the Leasing Agents or any other person appointed to manage a Property does not provide adequate management and maintenance.

If the Manager, the U.S. Asset Manager, each of the Property Managers or the Leasing Agents or any other person appointed to manage a Property fails to provide adequate management and maintenance, the value of the Property might be adversely affected which may result in a loss of tenants, and the ability of Prime US REIT to make regular distributions to its Unitholders may be adversely affected.

Prime US REIT is subject to the risk of non-renewal and non-replacement of leases, and decreased demand for office space.

Any downturn in the businesses, bankruptcy or insolvency of a tenant of Prime US REIT may result in such tenant deciding not to renew its lease at the end of a lease cycle or to terminate the lease before it expires. Factors that affect the ability of tenants to meet their obligations under the leases include, but are not limited to:

- their financial position;

- the local economies in which they have business operations;

- the ability of tenants to compete with their competitors;

- in the instance where tenants have sub-leased the Properties, the failure of the sub-tenants to pay rent; and

- material losses in excess of insurance proceeds.

For the month of January 2019, the top 10 tenants of the IPO portfolio by Cash Rental Income contributed 43.5% of the Rental Income of Prime US REIT. As such, if a major tenant or a significant number of tenants terminate their leases or do not renew their leases at expiry, Prime US REIT's financial condition, results of operations and capital growth may be adversely affected. The amount of rent and the terms on which lease renewals and new leases are agreed may also be less favourable than the current leases and substantial amounts may have to be spent for lease commission, tenant improvements or tenant inducements. Additionally, the demand for office space may be reduced by tenants seeking to reduce their leased space at renewal or during the term of the lease by reducing the amount of square footage per employee at leased properties. If replacement tenants cannot be found in a timely manner or on terms acceptable to the Manager upon a tenant's default, non-renewal or reduction in space, the revenue and financial condition of the relevant Property will be adversely affected, and the ability of Prime US REIT to make regular distributions to its Unitholders may be adversely affected.

Prime US REIT's ability to make distributions to Unitholders may be adversely affected by increases in direct expenses and other operating expenses.

Prime US REIT's ability to make regular distributions to Unitholders could be adversely affected if direct expenses and other operating expenses for which tenants are not responsible pursuant to the lease agreements increase. Such operating expenses include, but are not limited to:

- compliance with laws, regulations or policies;

- direct or indirect tax policies, laws or regulations;

- sub-contracted service costs;

- labour costs; and

- repair and maintenance costs.

Amenities and transportation infrastructure near the Properties may not be completed or implemented as planned, or may be closed, relocated, terminated or delayed.

There is no assurance that amenities, transportation infrastructure and public transport services near the Properties will be completed or implemented as planned, or will not be closed, relocated, terminated or delayed. If any such an event were to occur, it could adversely impact the accessibility of the relevant Property and the attractiveness and marketability of the relevant Property to tenants, which may have an adverse impact on the demand and rental rates for the relevant Property. Consequently, the ability of Prime US REIT to make regular distributions to its Unitholders may be adversely affected.

The Properties may require significant periodic capital expenditures beyond the Manager's estimates at the time of acquisition and Prime US REIT may not be able to fund such capital expenditures.

In order to remain competitive, the Properties and future properties to be acquired by Prime US REIT may require periodic capital expenditures beyond the Manager's estimates at the time of acquisition for refurbishment or renovation for improvements and development of the Properties. Prime US REIT may not be able to fund such capital expenditures solely from cash from its operating activities and may not be able to obtain additional equity or debt financing on favourable terms or at all. If Prime US REIT is not able to fund such capital expenditures, the attractiveness, marketability and operating efficiency of the Properties may be adversely affected.

Prime US REIT will be bound by existing restrictions and conditions in relation to redeveloping or carrying out construction works on certain properties.

A number of Properties are governed by a Declaration of Restrictive Covenants, Conditions, Restrictions, Reservations and Easements (the "**Declaration**") which imposes certain development and operational restrictions and obligations, including, without limitation, design review requirements and approval by an Architectural Control Committee. Approval of construction plans and specifications are based, among other things, on the adequacy of site dimensions, structural designs, conformity and harmony of the external design and of location with neighbouring structures and sites, relation of finished grades and elevations to neighbouring sites, and conformity to both the specific and general intent of the Declaration.

Such development and operational restrictions and obligations may adversely affect the business and operations conducted at a Property as the Property may not be able to undergo the renovation or redevelopment works necessary to retain its competitiveness resulting in an adverse effect on Prime US REIT's revenue and results of operations.

Certain of the Properties are subject to rights of first refusal and other provisions under the relevant lease agreements in favour of the tenants.

As at 1 January 2019, the lease agreements with certain tenants at the Properties, including four out of the top 10 tenants of the IPO Portfolio, contain rights of first refusal exercisable by such tenants in the event of a lease of a part and/or all of the relevant Property. Where a right of first refusal exists, Prime US REIT (or its relevant subsidiary) must first offer the relevant tenant an opportunity to lease the relevant Property (or part thereof) on the same terms that Prime US REIT is proposing to lease at to third parties. As a result, Prime US REIT may only proceed with the lease of the relevant Property (or part thereof) if the relevant tenant does not wish to exercise its right of first refusal. As at 1 January 2019, 28.9% (based on total number of leases) and 36.7% (based on NLA) of lease agreements contain rights of first refusal.

These rights of first refusal may impact Prime US REIT's ability to capture potential market upside (in terms of rental income).

Certain of the Properties are subject to non-compete clauses in favour of the tenants

As at 1 January 2019, 6.4% (based on total number of leases) and 13.2% (based on NLA) of lease agreements in relation to the Properties contain non-compete clauses which prevent the landlord from leasing premises to tenants which are in competition with existing tenants without the tenant's consent. This limitation may cause competing properties to be more successful in attracting and retaining tenants. This may reduce the income from the Properties, thereby adversely affecting the amount of funds available for distribution to Unitholders.

Prime US REIT may not be able to put in place or maintain adequate insurance in relation to the Properties and its potential liabilities to third parties, or may suffer material losses in excess of insurance proceeds.

The Properties face the risk of suffering physical damage caused by fire, terrorism, acts of God such as natural disasters like earthquakes or other causes, as well as potential public liability claims, including claims arising from the operations of the Properties. Certain risks, such as floods and losses caused by the outbreak of contagious diseases, contamination or other environmental impairment, may be uninsurable or the cost of insurance may be prohibitive when compared to the risk. Currently, Prime US REIT's property and casualty insurance policies for the Properties do not cover acts of war, intentional or dishonest acts, nuclear reaction or radio-active contamination, asbestos contamination or other long-term environmental impairments. Prime US REIT may also not have any insurance designed to limit any losses it may incur as a result of known or unknown environmental conditions. (See "Risk Factors – Risks relating to the Properties – Prime US REIT could incur significant costs or liability related to environmental matters".)

Further, should an uninsured loss or a loss in excess of insured limits occur, Prime US REIT could be required to pay compensation and/or lose capital invested in the affected Property as well as anticipated future revenue from that Property as it may not be able to rent out or sell the affected Property and any financial obligations secured by such Property may be accelerated. There is no assurance that material losses in excess of insurance proceeds will not occur.

Renovation or redevelopment works or physical damage to Properties may disrupt operations and collection of rental income or otherwise result in adverse impact on the financial condition of Prime US REIT.

The quality and design of Properties have a direct influence over the demand for space in, and the rental rates of, a Property. Properties may need to undergo renovation or redevelopment works from time to time to retain their competitiveness and may also require unforeseen *ad hoc* maintenance or repairs in respect of faults or problems that may develop or because of new planning laws or regulations. The costs of maintaining office properties and the risk of unforeseen maintenance or repair requirements tend to increase over time as buildings age. The business and operations of a Property may suffer some disruption, and it may not be possible to collect the full or any rental income on space affected by such renovation or redevelopment work.

Prime US REIT could incur significant costs or liability related to environmental matters.

Prime US REIT's operations are subject to various environmental laws, including those relating to air pollution control, water pollution control, waste disposal, noise pollution control and the storage, handling and disposal of hazardous or toxic materials or substances. Under these laws, an owner or occupier of real property may be subject to liability, including a fine or imprisonment for breach of these laws, for air pollution, noise pollution or the presence or discharge of hazardous or toxic materials or substances at that Property. The Properties and other real estate assets acquired in the future by Prime US REIT may be affected by contamination or other environmental issues which may not previously have been identified and/or rectified at the time of acquisition or which may subsequently occur after acquisition.

This gives rise to a number of risks, including:

- the risk of prosecution by environmental authorities;

- the requirement for unbudgeted additional expenditure to remedy such issues;

- the adverse impact on the operations at the affected Property which may in turn adversely affect the revenue of Prime US REIT; and

- the adverse impact on the value of the affected Property.

Asbestos-containing materials have been found on the premises of Tower I at Emeryville.

Under the various environmental and health and safety laws in the United States, employers and building owners have an obligation to assess and monitor potential exposure to friable asbestos-containing material to ensure that employees and occupants are not exposed to friable asbestos-containing materials in concentrations above permissible regulatory limits. Prime US REIT may be required to make capital expenditures to comply with these environmental laws.

Prime US REIT will seek to be compliant with the relevant regulations in relation to management of asbestos in the buildings. Tower I at Emeryville is being operated and maintained in accordance with all applicable regulations. There are currently no remediation plans in effect at this time, nor needed as the asbestos is contained. Additionally, no provisions have been accrued in respect of this matter. If Prime US REIT removes the asbestos or renovates or demolishes the building, certain environmental regulations govern the manner in which the asbestos must be handled and removed, and Prime US REIT could incur substantial costs complying with such regulations.

In addition, Prime US REIT may be required to make capital expenditures to comply with these environmental laws. The discharge, release or disposal of air, soil or water pollutants without a valid permit or the improper use, storage or handling of hazardous or toxic materials or substances may expose Prime US REIT to liability or materially adversely affect its ability to sell or lease a Property or to borrow using a Property as collateral. Accordingly, in such cases, Prime US REIT risks enforcement by environmental authorities and may be required to incur unbudgeted capital expenditures to remedy such issue and the financial position of tenants which are in violation may be adversely impacted, affecting their ability to conduct business and to meet their tenancy obligations.

Prime US REIT may not have any insurance designated to limit any losses that it may incur as a result of known or unknown environmental conditions. While Prime US REIT does not believe that there are environmental conditions at any of the Properties that will materially and adversely affect it and to the Manager's knowledge, there can be no assurance that environmental conditions present at the Properties, now or in the future or costs they may be required to incur in the future to address environmental contamination will not materially and adversely affect it.

Indoor air quality issues can stem from inadequate ventilation, chemical contaminants from indoor or outdoor sources, and biological contaminants such as moulds, pollen, viruses and bacteria. Indoor exposure to chemical or biological contaminants above certain levels can be alleged to be connected to allergic reactions or other health effects and symptoms in susceptible individuals. If these conditions were to occur at one of the Properties, it may need to undertake a targeted remediation program, including without limitation, steps to increase indoor ventilation rates and eliminate sources of contaminants. Such remediation programs could be costly, necessitate the temporary relocation of some or all of the Property's tenants or require rehabilitation of the affected Property.

The current political debate about climate change has resulted in various treaties, laws and regulations which are intended to limit carbon emissions. Such laws being enacted or proposed may cause energy costs at the Properties to increase in the future. Laws enacted to mitigate climate change may make some of the Properties obsolete, require or cause it to make material investments in its properties which could materially and adversely affect Prime US REIT's financial condition and results of operations.

Occurrence of any acts of God, natural disasters, war and terrorist attacks may adversely and materially affect the business and operations of the Properties.

Acts of God, such as natural disasters like earthquakes, war and terrorist attacks are beyond the control of Prime US REIT or the Manager. These may materially and adversely affect the economy, infrastructure and livelihood of the local population. Prime US REIT's business and income available for distribution may be adversely affected should such acts of God, war or terrorist attacks occur.

Prime US REIT may have significant investments in large metropolitan markets that have been or may be in the future the targets of actual or threatened terrorist attacks. As a result, some tenants in these markets may choose to relocate their businesses to other markets or to lower-profile office buildings within these markets that may be perceived to be less likely targets of future terrorist activity. This could result in an overall decrease in the demand for office space in these markets generally or in the Properties in particular, which could increase vacancies in the Properties or necessitate that the Properties are leased on less favourable terms or both. In addition, future terrorist attacks in these markets could directly or indirectly damage the Properties, both physically and financially, or cause losses that materially exceed insurance coverage. As a result of the foregoing, Prime US REIT's ability to generate revenues and the value of its properties could decline materially.

Physical damage to the Properties resulting from fire, earthquakes or other acts of God, or acts of war, civil unrest, political disruption, and terrorist attack, or other hostilities in any part of the world, potential, threatened or otherwise, may directly or indirectly lead to a significant disruption to the business and operation of the Properties. This may result in the loss of invested capital in affected Properties as well as anticipated future revenues as it may not be able to rent out or sell the affected Properties and any financial obligations secured by such Properties may be accelerated.

The representations, warranties and indemnities granted in favour of Prime US REIT by the vendors of the Properties are subject to limitations as to their scope, amount and timing of claims which can be made thereunder.

Consistent with commercial real estate practices in the United States, the representations, warranties and indemnities granted in favour of the Property Holding LLCs, as purchasers, in the Portfolio Purchase and Sale Agreement are subject to limitations as to the scope, amount and the timing of claims which can be made thereunder. (See "Certain Agreements Relating to Prime US REIT and the Properties – Portfolio Purchase and Sale Agreement" for further details of such limitations.) Also consistent with commercial real estate practices in the United States, Prime US REIT will obtain a title insurance policy for each Property in the IPO Portfolio which will insure each Property Holding LLC against certain risks related to title to the Properties owned by each Property Holding LLC (and against violations of certain zoning requirements applicable to the Properties) for 100.0% of the relevant property's purchase price. (See "Overview of Relevant Laws and Regulations in the United States – Recording and Title Insurance".)

The Property Holding LLCs, as purchasers, may not have recourse under the Portfolio Purchase and Sale Agreement or the title insurance policies for all losses or liabilities which it might suffer or incur in connection with the Properties and it will need to rely on its own due diligence in addition to the indemnities provided by the vendors and the title insurance provided by the title insurance companies to help mitigate against the risk of such losses and liabilities. While the Manager believes that reasonable due diligence has been, and will be, performed with respect to the Properties and that the due diligence conducted has not raised any material adverse findings in relation to the Properties, there can be no assurance that there will not be any losses or liabilities suffered by Prime US REIT in connection with the Properties beyond the limits of the recourse under the indemnities and title insurance. In the event that Prime US REIT suffers losses or liabilities in connection with the Properties which it, through the Property Holding LLCs, has no recourse or only limited recourse to under the Portfolio Purchase and Sale Agreement or the title insurance policies, its financial condition, business, results of operations and/or prospects may be materially adversely affected. (See "Certain Agreements Relating to Prime US REIT and the Properties – Portfolio Purchase and Sale Agreement".)

The due diligence exercise on the Properties, tenancies, buildings and equipment may not have identified all defects, breaches of laws and regulations and other deficiencies.

The Manager believes that reasonable due diligence investigations with respect to the IPO Portfolio were, and with respect to future acquisitions will be, conducted prior to their acquisition. However, there is no assurance that Properties will not have defects or deficiencies requiring repair, maintenance or replacement (including design, construction or other latent property or equipment defects in Properties which may require additional capital expenditures, special repair, maintenance expenses, the payment of damages or other obligations to third parties) or be affected by breaches of laws and regulations.

Statutory or contractual representations, warranties and indemnities given by any seller of office properties may not afford satisfactory protection from costs or liabilities arising from such property or equipment defects.

Costs or liabilities arising from such defects or deficiencies may require significant capital expenditures or obligations to third parties and may involve significant and potentially unpredictable patterns and levels of expenditure which may have a material adverse effect on Prime US REIT's earnings and cash flows.

The Properties may face increased competition from other properties.

The current Properties are, and Prime US REIT expects that subsequently acquired Properties will be, located in areas where other competing properties are present and new properties may be developed which may compete with the Properties. Some competing properties may be newer, be better located, have more attractive features, floor plans or amenities or otherwise be more attractive to tenants. Competing properties may also have lower rates of occupancy or operating costs than the Properties, which may result in competing owners offering available space at lower rents than offered at the Properties.

The income from, and the market value of, the Properties will be dependent on the ability of such Properties to compete against other properties for tenants. If, after the Offering, competing properties are more successful in attracting and retaining tenants, or similar properties in their vicinity are substantially upgraded and refurbished, the income from the Properties currently owned and subsequently acquired could be reduced which may have a material adverse effect on Prime US REIT's distributions. (See "Business and Properties – Competition" for further details.)

The valuations of the Properties are based on various assumptions and the price at which Prime US REIT is able to sell such Properties in the future may be different from the initial acquisition value.

There can be no assurance that the assumptions on which the valuations of the Properties are, or will be, based are accurate measures of the market, and the values may be evaluated inaccurately. The Independent Valuers may have included a subjective determination of certain factors relating to a Property such as its relative market position, financial and competitive strengths, and physical condition and, accordingly, the valuation of a Property (which affects the NAV per Unit) may prove incorrect.

The valuation of any Property does not guarantee a sale price at that value at present or in the future. The price at which Prime US REIT may sell a Property may be lower than its purchase price or the anticipated sale price projected at the time of acquisition, which would affect the NAV per Unit and the ability of Prime US REIT to acquire a suitable replacement Property.

RISKS RELATING TO PRIME US REIT'S OPERATIONS

The Manager may not be able to successfully implement its investment strategy for Prime US REIT.

The Manager may not be able to successfully implement its investment strategy, expand Prime US REIT's portfolio at any specified rate or to any specified size, or make acquisitions or investments on favourable terms or within a desired time frame.

Prime US REIT faces active competition in acquiring suitable and attractive properties from other property investors, including other REITs, office property development companies and private investment funds. There is no assurance that Prime US REIT will be able to compete effectively against such entities and its ability to make acquisitions under its acquisition growth strategy may be adversely affected. Even if Prime US REIT were able to successfully acquire Properties or other investments, there is no assurance that Prime US REIT will achieve its intended return on such acquisitions or investments.

The real estate industry in which Prime US REIT operates is capital intensive and Prime US REIT may from time to time require significant amounts of capital for purposes such as acquisitions or redevelopment. Since the amount of borrowings that Prime US REIT can incur to finance acquisitions is limited by the Property Funds Appendix, such acquisitions are likely to be largely dependent on Prime US REIT's ability to raise equity capital. This may result in a dilution of Unitholders' holdings. Potential vendors may view negatively the prolonged time frame and lack of certainty associated with the raising of equity capital to fund any such purchase. They may instead prefer other potential purchasers.

In addition, the Manager is dependent on support from the U.S. Asset Manager pursuant to the KBS Management Agreement under which the U.S. Asset Manager will perform certain operational duties in respect of the Parent U.S. REIT and Property Holding LLCs, including supporting the execution, through the Parent U.S. REIT and/or the Property Holding LLCs of the investment strategy of Prime US REIT and debt financing plans for any debt taken up by the Parent U.S. REIT and/or the Property Holding LLCs, in each case subject to the duties and responsibilities of the respective board of directors of the Parent U.S. REIT and managers of the Property Holding LLCs. (See "Certain Agreements Relating to Prime US REIT and the Properties – KBS Management Agreement" for further details). There can be no assurance that there will not be any disagreements between the Manager and the U.S. Asset Manager. While the Manager and the U.S. Asset Manager are obliged to work in good faith to resolve any such disagreements and the ultimate investment decision lies with the Manager, the Manager may not be able to fully leverage the support and experience of the U.S. Asset Manager in pursuing its investment strategy in the event of such disagreement.

The amount Prime US REIT may borrow is limited, which may affect the operations of Prime US REIT.

Under the Property Funds Appendix, Prime US REIT is permitted to borrow up to 45.0% of the value of the Deposited Property at the time the borrowing is incurred, taking into account deferred payments (including deferred payments for assets whether to be settled in cash or in Units). As at the Listing Date, Prime US REIT is expected to have gross borrowings of US$452.2 million, which represents an Aggregate Leverage of 37.0% based on the Offering Price. (See "Capitalisation and Indebtedness – Indebtedness" for further details.)

Prime US REIT may, from time to time, require further debt financing to achieve its investment strategies. In the event that Prime US REIT decides to incur additional borrowings in the future, Prime US REIT may face adverse consequences as a result of this limitation on future borrowings, and these may include:

- an inability to fund capital expenditure requirements of Prime US REIT's existing asset portfolio or for future acquisitions to expand its portfolio;

- a decline in the value of the Deposited Property may cause the borrowing limit to be exceeded, thus affecting Prime US REIT's ability to make further borrowings; and

- cash flow shortages (including with respect to distributions) which Prime US REIT might otherwise be able to resolve by borrowing funds.

Prime US REIT may face risks associated with debt financing and the Loan Facilities and the debt covenants could limit or affect Prime US REIT's operations.

As at the Listing Date, Prime US REIT will have in place certain debt facilities. (See "Capitalisation and Indebtedness — Indebtedness" for further details.)

Prime US REIT is subject to risks associated with debt financing, including the risk that its cash flows will be insufficient to meet the required payments of principal and interest under such financing, and therefore to make distributions to Unitholders.

Distributions from Prime US REIT to Unitholders will be computed based on at least 90.0% of Distributable Income. As a result of this distribution policy, Prime US REIT may not be able to meet all of its obligations to repay any future borrowings through its cash on hand. Prime US REIT may be required to repay maturing debt with funds from additional debt or equity financing or both. There is no assurance that such financing will be available on acceptable terms or at all.

Certain change of control events, such as the cessation of KBS RA as the U.S. Asset Manager, may trigger the repayment of the Term Loan Facilities (as defined herein) and Revolving Credit Facility (as defined herein). If there is a default under the terms of the Loan Facilities, the Lenders (as defined herein) may be able to declare a default and initiate enforcement proceedings in respect of any security provided, call upon any guarantees provided and/or restrict payment of distributions by Prime US REIT or any of the entities within the Group.

The 222 Main Facility (as defined herein) contains provisions that would require Prime US REIT to deposit up to US$12.4 million in an escrow account until a new tenant is found, should Goldman Sachs terminate or not renew its lease, which expires on 31 May 2025, at 222 Main. In the event that Prime US REIT is unable to fund this amount from the Revolving Credit Facility, Prime US REIT's ability to pay distributions may be adversely affected. If principal amounts due for repayment at maturity cannot be refinanced, extended or paid with proceeds of other capital transactions, such as new equity capital, Prime US REIT will not be able to pay distributions at expected levels to Unitholders or to repay all maturing debt.

Prime US REIT may be subject to the risk that the terms of any refinancing undertaken (which may arise from a change of control provision) will be less favourable than the terms of the original borrowings. While Prime US REIT is not subject to covenants that may limit or otherwise adversely affect its operations and its ability to make distributions to Unitholders as at the Latest Practicable Date (as defined herein), the terms of any refinancing undertaken in the future may contain such covenants and other covenants which may also restrict Prime US REIT's ability to acquire properties or undertake other capital expenditure and may require it to set aside funds for maintenance or require Prime US REIT to maintain certain financial ratios (e.g. loan to value ratios). The triggering of any of such covenants may have an adverse impact on Prime US REIT's financial condition.

Neither Prime US REIT nor the Manager has a long established operating history.

Prime US REIT was constituted on 7 September 2018, and the Manager was incorporated on 26 July 2018. Neither Prime US REIT (as a REIT) nor the Manager (as the manager of the REIT) has sufficient operating histories by which their past performance may be judged. The lack of a long established operating history will make it more difficult for investors to assess Prime US REIT's future performance. There is no assurance that Prime US REIT will be able to generate sufficient revenue from operations to make distributions or that such distributions will be in line with those set out in "Profit Forecast and Profit Projection".

If the Manager's CMS Licence is cancelled or the authorisation of Prime US REIT as a collective investment scheme under Section 286 of the SFA is suspended, revoked or withdrawn, the operations of Prime US REIT will be adversely affected.

The CMS Licence issued to the Manager is subject to conditions unless otherwise cancelled. If the CMS Licence of the Manager is cancelled by the MAS, the operations of Prime US REIT will be adversely affected, as the Manager would no longer be able to act as the manager of Prime US REIT.

Prime US REIT was authorised as a collective investment scheme on 8 July 2019 and must comply with the requirements under the SFA and the Property Funds Appendix. In the event that the authorisation of Prime US REIT is suspended, revoked or withdrawn, its operations will also be adversely affected.

Acquisitions may not yield the returns expected and may result in disruptions to Prime US REIT's business and strain of management resources.

Acquisitions may cause disruptions to Prime US REIT's operations and divert management's attention away from day-to-day operations.

Newly acquired properties may require significant management attention that would otherwise be devoted to Prime US REIT's ongoing business. Notwithstanding pre-acquisition due diligence, it may not be possible to fully understand a property before it is owned and operated for an extended period of time. For these reasons, among others, Prime US REIT's business plan to acquire additional properties may not succeed or may cause it losses.

Prime US REIT depends on certain key personnel and the loss of any key personnel may adversely affect its operations.

Prime US REIT's performance depends, in part, upon the continued service and performance of the executive officers of the Manager and the U.S. Asset Manager. (See "The Manager and

Corporate Governance – The Manager of Prime US REIT – Executive Officers of the Manager" for details of the executive officers of the Manager.) These key personnel may leave the employment of the Manager and/or the U.S. Asset Manager. If any of the above were to occur, time will need to be spent searching for a replacement and the duties for which such executive officers are responsible may be affected. The loss of any of these individuals could have a material adverse effect on the financial condition and the results of operations of Prime US REIT.

Prime US REIT may from time to time be subject to legal proceedings and government proceedings.

While, to the Manager's knowledge, there have been no past material legal suits involving the Properties, legal proceedings against Prime US REIT and/or its subsidiaries relating to property management and disputes over tenancies may arise from time to time. There can be no assurance that Prime US REIT and/or its subsidiaries will not be involved in such proceedings or that the outcome of these proceedings will not adversely affect the financial condition, results of operation or cash flow of Prime US REIT.

Possible change of investment strategies may adversely affect Unitholders' investments in Prime US REIT.

The Manager may from time to time amend the investment strategies of Prime US REIT if it determines that such change is in the best interests of Prime US REIT and its Unitholders without seeking Unitholders' approval. The Manager may, subject to the relevant laws, regulations and rules (including the Listing Manual), alter such investment strategies upon the expiry of three years from the Listing Date, provided that it has given not less than 30 days' prior notice of the change to the Trustee and Unitholders by way of an announcement on the SGX-ST. Such changes may adversely affect Unitholders' investment in Prime US REIT.

Prime US REIT's investment strategy may entail a higher level of risk as compared to other types of unit trusts that have a more diverse range of investments.

Prime US REIT's principal investment strategy of investing, directly or indirectly, in stabilised income-producing office assets, and real estate related assets, in the U.S., will subject Prime US REIT to risks inherent in concentrating in real estate. The level of risk could be higher as compared to other types of unit trusts that have a more diverse range of investments in other sectors.

Prime US REIT may be adversely affected by the illiquidity of real estate investments.

Real estate investments are relatively illiquid and such illiquidity may affect Prime US REIT's ability to vary its investment portfolio or liquidate part of its assets in response to changes in economic, property market or other conditions. Prime US REIT may be unable to sell its assets on short notice or may be forced to give a substantial reduction in the price that may otherwise be sought for such assets in order to ensure a quick sale. These factors could have an adverse effect on Prime US REIT's financial condition and results of operations, and the ability of Prime US REIT to make regular distributions to its Unitholders.

Prime US REIT may not be able to control or exercise any influence over entities in which it has minority interests.

Prime US REIT may, in the course of acquisitions, acquire minority interests in real estate related investment entities. There is no assurance that Prime US REIT will be able to exercise active control over such entities and the management of such entities may make decisions which could adversely affect the operations of Prime US REIT and the ability of Prime US REIT to make regular distributions to its Unitholders.

Prime US REIT relies on information technology in its operations, and any material failure, inadequacy, interruption or security failure of that technology could harm its business.

Prime US REIT relies on information technology networks and systems, including the Internet, to process, transmit and store electronic information and to manage or support a variety of its business processes, including financial transactions and maintenance of records, which may include personally identifiable information of tenants and lease data. Prime US REIT relies on commercially available systems, software, tools and monitoring to provide security for processing, transmitting and storing confidential tenant information, such as individually identifiable information relating to financial accounts. Although Prime US REIT has taken steps to protect the security of the data maintained in its information systems, it is possible that such security measures will not be able to prevent the systems' improper functioning, or the improper disclosure of personally identifiable information such as in the event of cyber-attacks. Security breaches, including physical or electronic break-ins, computer viruses, attacks by hackers and similar breaches, can create system disruptions, shutdowns or unauthorised disclosure of confidential information. Any failure to maintain proper function, security and availability of Prime US REIT's information systems could interrupt its operations, damage its reputation, subject Prime US REIT to liability claims or regulatory penalties and could materially and adversely affect it.

RISKS RELATING TO THE UNITED STATES

Prime US REIT may be exposed to risks associated with exchange rate fluctuations and changes in foreign exchange regulations.

The revenue received from the Properties is in U.S. dollars. A portion of these U.S. dollars will have to be converted into Singapore dollars to settle expenses in Singapore dollars at Prime US REIT's level and for the distribution payments from Prime US REIT to Unitholders, except those Unitholders who elect to receive their distributions in U.S. dollars. Accordingly, Prime US REIT is exposed to risks associated with exchange rate fluctuations which may adversely affect Prime US REIT's results of operations.

The value of U.S. dollars against foreign currencies fluctuates and is affected by changes in the United States and international political and economic conditions and by many other factors.

The value of the distributions received by a Unitholder may be adversely affected by fluctuations in the exchange rates between U.S. dollars, the Singapore dollar and any other currencies which may be adopted from time to time. Significant fluctuations in the exchange rates between such currencies will also, among others, affect the NAV of the Units and the foreign currency value of the proceeds which a Unitholder would receive upon sale of the Units in Singapore. In addition, the forecast and projected yields and yield growth of Prime US REIT are calculated based on assumed exchange rates as set out in this Prospectus. As such, there can be no guarantee that Prime US REIT will achieve such forecast and projected yields and yield growth should there be differences between the actual and assumed exchange rates. (See "Distributions" and "Exchange Rate Information and Exchange Controls" for further details.)

Prime US REIT faces risks associated with their tenants being designated "Prohibited Persons" by the Office of Foreign Assets Control.

Pursuant to Executive Order 13224 and other laws, the Office of Foreign Assets Control of the United States Department of the Treasury ("**OFAC**") maintains a list of persons designated as terrorists or who are otherwise blocked or banned ("**Prohibited Persons**"). OFAC regulations and other laws prohibit conducting business or engaging in transactions with Prohibited Persons (the "**OFAC Requirements**"). Prime US REIT has established a compliance program whereby tenants and others with whom they conduct business are checked against the OFAC list of Prohibited Persons prior to entering into any agreement and on a periodic basis thereafter. Prime US REIT's leases and other agreements, in general, require the other party to comply with the OFAC Requirements. If a tenant or other party with whom Prime US REIT contracts is placed on the list of Prohibited Persons, one possible consequence is that the contract would be blocked thus prohibiting all transactions including payment of rent. While to the Manager's knowledge, there have not been any past incidents arising from the OFAC Requirements that materially affected the Properties, any such termination could result in a loss of revenue or a damage claim by the other party that the termination was wrongful.

Leasing the Properties to U.S. government tenants increases compliance risks.

Certain tenants of the Properties are federal government agencies. Lease agreements with federal government agencies contain certain provisions required by federal law, which require, among other things, that the contractor (which is the lessor or the owner of the property) agree to comply with certain rules and regulations, including but not limited to, rules and regulations related to anti-kickback procedures, examination of records, audits and records, equal opportunity provisions, prohibitions against segregated facilities, certain executive orders, subcontractor costs or pricing data, and certain provisions intending to assist small businesses. While Prime US REIT has relevant procedures in place to comply with such federal requirements and to the Manager's knowledge, there have not been any past incidents arising from leases to U.S. government tenants that materially affected the Properties, leasing the Properties to federal government agencies subjects Prime US REIT to additional risks associated with compliance with all such federal rules and regulations.

The Properties or a part of them may be acquired compulsorily by U.S. federal, state and local governments.

In the U.S., federal, state and local governments and other public bodies, as well as certain quasi-public entities (such as railroads and public utility corporations), have the right to acquire real estate for public use upon payment of just compensation to the affected owner through the exercise of the power of eminent domain. A compulsory acquisition of a portion of a Property, even if adequate consideration is paid, could have an adverse effect on the revenue of Prime US REIT and the value of its asset portfolio. (See "Overview of Relevant Laws and Regulations in the United States – Relevant Laws and Regulations in the United States – Condemnation" for further details.)

RISKS RELATING TO AN INVESTMENT IN THE UNITS

Sale or possible sale of a substantial number of Units by KBS REIT Properties III (following the lapse of any applicable lock-up arrangements), or the Cornerstone Investors in the public market could adversely affect the price of the Units.

Following the Offering, Prime US REIT will have 923,864,000 issued Units, of which 228,408,999 Units will be held by KBS REIT Properties III, assuming the Over-allotment Option is not exercised and 360,251,800 Units will be held by the Cornerstone Investors. If KBS REIT Properties III and/or any of its transferees of the Units (following the lapse of the relevant respective lock-up arrangement, or pursuant to any applicable waivers) or any of the Cornerstone Investors sells or is perceived as intending to sell a substantial amount of its Units, or if a secondary offering of the Units is undertaken, the market price for the Units could be adversely affected (see "Plan of Distribution – Lock-up Arrangements" and "Ownership of the Units" for further details).

Prime US REIT's ability to make distributions is dependent on the financial position of the Parent U.S. REIT, the Extended U.S. LLCs, Singapore Sub 1 and the Singapore Lending Sub(s).

In order for the Trustee to make distributions from the income of the Properties, Prime US REIT has to rely on the direct and indirect receipt of dividends, interest or repayments of loans (where applicable) from the Parent U.S. REIT, the Extended U.S. LLCs, Singapore Sub 1 and the Singapore Lending Sub(s). There can be no assurance that these entities will have sufficient revenue and cash flows in any future period to pay dividends, pay interest or make repayments of loans.

The level of revenue, distributable profits or reserves of the Parent U.S. REIT, the Extended U.S. LLCs, Singapore Sub 1 and the Singapore Lending Sub(s) available to pay dividends, pay interest or make repayments of loans may be affected by a number of factors including, among other things:

- their respective business and financial positions;
- the availability of distributable profits;
- sufficiency of cash flows received from the Properties;
- applicable laws and regulations which may restrict the payment of dividends by them;
- operating losses incurred by them in any financial year;
- losses arising from a revaluation of the Properties. Such losses may become realised losses which would adversely affect the level of realised profits from which distribution may be made;
- changes in accounting standards (including standards in respect of depreciation policies relating to real estate investment properties), taxation laws and regulations, laws and regulations in respect of foreign exchange and repatriation of funds, corporation laws and regulations in respect of statutory reserves required to be maintained) in Singapore and the United States;
- potential tax and/or legal liabilities;
- the extent of rent abatements given to tenants to attract new tenants and/or retain existing tenants, if any; and
- the terms of agreements to which they are, or may become, a party to.

There are, in general, currently no laws or regulations which restrict the payment of dividends by the Parent U.S. REIT, the Extended U.S. LLCs, Singapore Sub 1 and the Singapore Lending Sub(s), save that dividends are only payable out of profits or surplus. In addition, no assurance can be given as to Prime US REIT's ability to pay or maintain distributions or that the level of distributions will increase over time.

Market and economic conditions may affect the market price and demand for the Units.

Movements in domestic and international securities markets, economic conditions, foreign exchange rates and interest rates may affect the market price of, and demand for, the Units.

An increase in market interest rates may have an adverse impact on the market price of the Units if the annual yield on the price paid for the Units gives investors a lower return as compared to other investments.

The NAV per Unit may be diluted if further issues are priced below the then current NAV per Unit and the DPU may be diluted if proceeds from the issue of Units generates insufficient cash flows.

The Trust Deed contemplates new issues of Units, the offering price for which may be above, at or below the then current NAV per Unit. The DPU may be diluted if new Units are issued and the use of proceeds from such issue of Units generates insufficient cash flow to cover the dilution. Where new Units, including Units which may be issued to the Manager in payment of the Manager's management, acquisition and/or divestment fees, are issued at less than the NAV per Unit, the then current NAV of each existing Unit may be diluted.

The laws and regulations in Singapore and/or the United States and the International Financial Reporting Standards ("IFRS") may change.

Prime US REIT is a REIT constituted in Singapore and the Properties are located in the United States. The laws, regulations (including tax laws and regulations in Singapore and/or the United States) and the IFRS are subject to change. New laws and regulations may also be introduced in these jurisdictions. As a result, the financial statements of Prime US REIT may be affected by these changes. The extent and timing of these changes in accounting standards are currently unknown and subject to confirmation by the relevant authorities. The Manager has not quantified the effects of these proposed changes and there can be no assurance that these changes will not have a significant impact on the presentation of Prime US REIT's financial statements or on Prime US REIT's results of operations. In addition, such changes may adversely affect the ability of Prime US REIT to make distributions to Unitholders. There can be no assurance that any such changes to laws, regulations and accounting standards will not materially and adversely affect the business, financial condition and results of operations of Prime US REIT.

Prime US REIT may be affected by the introduction of new or revised legislation, regulations, guidelines or directives affecting REITs.

Prime US REIT may be affected by the introduction of new or revised legislation, regulations, guidelines or directives affecting REITs. There is no assurance that new or revised legislation, regulations, guidelines or directives will not adversely affect REITs in general or Prime US REIT specifically.

The Units will be listed and quoted on the SGX-ST and traded in U.S. dollars and Unitholders who purchase Units may be subject to risks associated with exchange rate fluctuations.

As the Units will be listed and quoted on the SGX-ST and traded in U.S. dollars, Unitholders may have to convert Singapore dollars or other foreign currencies into U.S. dollars before purchasing any Units. The value of the U.S. dollar against other foreign currencies fluctuates and if there is a drop in the value of U.S. dollars, the amount of Singapore dollars or other foreign currencies which a Unitholder may receive after converting the proceeds of a sale of Units may be adversely affected.

Prime US REIT, CDP, and CDP depository agents are subject to compliance with U.S. reporting and withholding requirements.

Unitholders are required to comply with certain documentation requirements or will be subject to U.S. withholding tax under the IRC, including under FATCA. Specifically, Unitholders must establish (i) their status for FATCA purposes by providing to Prime US REIT an applicable IRS Form W-8, which may be obtained from Prime US REIT's website at www.primeusreit.com, and/or such other certification or other information related to FATCA that is requested by Prime US REIT, CDP, or their CDP depository agent from time to time and (ii) their eligibility for the U.S. Portfolio Interest Exemption by providing to Prime US REIT an applicable IRS Form W-8 and a U.S. Tax Compliance Certificate in the form set forth in Appendix I and/or such other certification or other information related to such U.S. Portfolio Interest Exemption that is requested by Prime US REIT, CDP, or their CDP depository agent from time to time. Unitholders must also immediately update Prime US REIT, CDP, or their CDP depository agent, as applicable, of any changes to their status for FATCA purposes including information relating to the Unitholder's name, address, citizenship, personal identification number or tax identification number, tax residencies, tax status, etc. Prime US REIT, CDP, and CDP depository agents, may be under the obligation to disclose and report such information to the IRS, the IRAS or other applicable tax or regulatory authorities for the purpose of compliance with FATCA and other provisions of U.S. tax law. Where a Unitholder fails to provide or to update Prime US REIT, CDP, or their CDP depository agent with relevant information necessary for compliance with U.S. tax withholding requirements, including FATCA, or provides to Prime US REIT, CDP, or their CDP depository agent inaccurate, incomplete or false information, the applicable withholding agent may deduct from or withhold part of any amounts payable by Prime US REIT to such Unitholder and in accordance with U.S. tax withholding requirements, including FATCA, and any intergovernmental agreements. Subject to specified limitations, the amount of any tax withheld generally will be creditable against the U.S. federal income tax liability of the beneficial owner of the Units, and such person generally may obtain a refund from the IRS of any amount of withheld tax in excess of that tax liability by filing a claim therefor in accordance with applicable IRS rules and regulations, provided that the applicable withholding agent has properly deposited the withheld tax with the IRS. However, such withheld amounts may not be refunded by the IRAS or other applicable non-U.S. tax or regulatory authorities.

Foreign Unitholders may not be permitted to participate in future rights issues or entitlements offerings by Prime US REIT.

The Trust Deed provides that the Manager may, in its absolute discretion, elect not to extend an offer of Units under a rights issue to those Unitholders whose addresses, as registered with CDP, are outside Singapore. The rights or entitlements to the Units to which such Unitholders would have been entitled will be offered for sale and sold in such manner, at such price and on such other terms and conditions as the Manager may determine, subject to such other terms and conditions as the Trustee may impose. The proceeds of any such sale will be paid to the Unitholders whose rights or entitlements have been so sold, provided that where such proceeds payable to the relevant Unitholders are less than S$10.00, the Manager is entitled to retain such proceeds as part of the Deposited Property. The holding of the relevant holder of the Units may be diluted as a result of such sale.

The actual performance of Prime US REIT and the Properties could differ materially from the forward-looking statements in this Prospectus.

This Prospectus contains forward-looking statements regarding, among others, forecast and projected distribution levels for the period from Forecast Period 2019 to Projection Year 2020. These forward-looking statements are based on a number of assumptions which are subject to uncertainties and contingencies that are outside of the Manager's control (see "Profit Forecast and Profit Projection – Assumptions" for further details).

Prime US REIT's revenue is dependent on a number of factors, including the receipt of rental income from the Properties. This may adversely affect Prime US REIT's ability to achieve the forecast and projected distributions as events and circumstances assumed may not occur as expected, or events and circumstances may arise which are not anticipated.

No assurance is given that the assumptions will be realised and the actual distributions will be as forecast and projected.

Property yield on real estate to be held by Prime US REIT is not equivalent to distribution yield on the Units.

Generally, property yield depends on net property income and property valuation and is calculated as the amount of revenue generated by the properties, less the expenses incurred in maintaining, operating, managing and leasing the properties compared against the current value of the properties.

Distribution yield on the Units, however, depends on the distributions payable on the Units, after taking into account other expenses including (i) taxes, (ii) interest cost for the debt facilities, (iii) REIT management fees and trustee's fees and (iv) other operating costs including administrative fees of Prime US REIT, as compared with the purchase price of the Units.

There is no assurance that property yield will be equivalent to distribution yield on the Units.

The Unaudited Pro Forma Financial Information contained in this Prospectus is not necessarily indicative of the future performance of Prime US REIT.

The Unaudited Pro Forma Financial Information contained in this Prospectus is not necessarily indicative of the future performance of Prime US REIT. (See "Unaudited Pro Forma Financial Information" for further details.)

There is no assurance that the Properties will be able to generate sufficient revenue for Prime US REIT to make distributions to Unitholders or that such distributions will be in line with those set out in "Unaudited Pro Forma Financial Information".

The Manager is not obliged to redeem Units.

Unitholders have no right to request that the Manager redeem their Units while the Units are listed on the SGX-ST. Unitholders may only deal in their listed Units through trading on the SGX-ST. Accordingly, apart from selling their Units through trading on the SGX-ST, Unitholders may not be able to realise their investments in Units.

If the Units are de-listed from the SGX-ST and are unlisted on any other recognised stock exchange, the Manager may, but is not obliged to, repurchase or cause the redemption of Units more than once a year in accordance with the Property Funds Appendix and a Unitholder has no right to request the repurchase or redemption of Units more than once a year.

The Units have never been publicly traded and the listing of the Units on the Main Board of the SGX-ST may not result in an active or liquid market for the Units.

There is no public market for the Units prior to the Offering and an active public market for the Units may not develop or be sustained after the Offering. The Manager has received a letter of eligibility from the SGX-ST to have the Units listed and quoted on the Main Board of the SGX-ST. However, listing and quotation does not guarantee that a trading market for the Units will develop or, if a market does develop, the liquidity of that market for the Units. Prospective Unitholders must be prepared to hold their Units for an indefinite length of time.

There is no assurance that the Units will remain listed on the SGX-ST.

Although it is intended that the Units will remain listed on the SGX-ST, there is no guarantee of the continued listing of the Units. Among other factors, Prime US REIT may not continue to satisfy the listing requirements. Accordingly, Unitholders will not be able to sell their Units through trading on the SGX-ST if the Units are no longer listed on the SGX-ST.

Certain provisions of the Singapore Code on Take-overs and Mergers (the "Take-over Code") could have the effect of discouraging, delaying or preventing a merger or acquisition which could adversely affect the market price of the Units.

Under the Take-over Code, an entity is required to make a mandatory offer for all the Units not already held by it and/or parties acting in concert with it (as defined by the Take-over Code) in the event that an increase in the aggregate Unitholdings of it and/or parties acting in concert with it results in the aggregate Unitholdings crossing certain specified thresholds.

While the Take-over Code seeks to ensure an equality of treatment among Unitholders, its provisions could substantially impede the ability of Unitholders to benefit from a change in control and, as a result, may adversely affect the market price of the Units and the ability to realise any potential change of control premium.

The price of the Units may decline after the Offering.

The Offering Price of the Units is determined by agreement between the Manager and the Joint Bookrunners. The Offering Price may not be indicative of the market price for the Units upon completion of the Offering. The trading price of the Units will depend on many factors, including, but not limited to:

- the perceived prospects of Prime US REIT's business and investments and the U.S. market for properties used for commercial purposes or real estate-related assets;
- differences between Prime US REIT's actual financial and operating results and those expected by investors and analysts;
- changes in analysts' recommendations or projections;
- changes in general economic or market conditions;
- the market value of Prime US REIT's assets;
- the perceived attractiveness of the Units against those of other equity or debt securities, including those not in the real estate sector;
- the balance of buyers and sellers of the Units;
- the size and liquidity of the Singapore REIT market from time to time;
- any changes from time to time to the regulatory system, including the tax system, both generally and specifically in relation to Singapore REITs;
- the ability on the Manager's part to successfully implement its investment and growth strategies;
- foreign exchange rates; and
- broad market fluctuations, including increases in interest rates and weakness of the equity and debt markets.

Units may trade at prices that are higher or lower than the NAV per Unit. To the extent that Prime US REIT retains operating cash flow for investment purposes, working capital reserves or other purposes, these retained funds, while increasing the value of Prime US REIT's underlying assets, may not correspondingly increase the market price of the Units. Any failure to meet market expectations with regards to future earnings and cash distributions may adversely affect the market price for the Units.

Where new Units are issued at less than the market price of Units, the value of an investment in Units may be affected. In addition, Unitholders who do not, or are not able to, participate in the new issuance of Units may experience a dilution of their interest in Prime US REIT.

The Units are not capital-safe products. There is no guarantee that Unitholders can regain the amount invested. If Prime US REIT is terminated or liquidated, investors may lose a part or all of their investment in the Units.

Third parties may be unable to recover in claims brought against the Manager as the Manager is not an entity with significant assets.

Third parties, in particular, Unitholders, may in future have claims against the Manager in connection with the carrying on of its duties as manager of Prime US REIT (including in relation to the Offering and this Prospectus).

Under the terms of the Trust Deed, the Manager is indemnified from the Deposited Property against any actions, costs, claims, damages, expenses or demands to which it may be put as the manager of Prime US REIT unless occasioned by the fraud, gross negligence, wilful default or breach of the Trust Deed by the Manager. In the event of any such fraud, gross negligence, wilful default or breach, only the assets of the Manager itself and not the Deposited Property would be available to satisfy a claim, and the Manager may not have sufficient assets so any such claims may not be fully satisfied.

USE OF PROCEEDS

ISSUE PROCEEDS

The Manager intends to raise gross proceeds of US$813.0 million (based on the Offering Price) from the Offering and the issuance of the KBS Units and the Cornerstone Units.

The total cash proceeds raised from the Offering, the issuance of the KBS Units and the Cornerstone Units, as well as the drawn down from the Loan Facilities will be used towards the following:

- payment to the Vendors (as defined herein) for the purchase price payable in relation to the acquisition of the Properties;
- payment of transaction costs incurred in relation to the acquisition cost of the Properties, the Offering, the Cornerstone Units and the Loan Facilities; and
- working capital.

The following table, included for the purpose of illustration, sets out the intended sources and applications of the total proceeds from the Offering, and the issuance of the KBS Units and the Cornerstone Units, as well as the amount drawn down from the Loan Facilities.

Based on the Offering Price (assuming the Over-Allotment Option is fully exercised):

Sources	**(US$'000)**	**Uses**	**(US$'000)**
Offering	294,979	Acquisition of the Properties(1)	1,222,150
KBS Units	201,000	Transaction costs(2)	39,171
Cornerstone Units	317,021	Working capital	4,000
Loan Facilities	452,196		
Preferred Shares	125		
Total	**1,265,321**	**Total**	**1,265,321**

Notes:

(1) Part of the proceeds from the Offering and the Cornerstone Units will be used to repay the Joint Bookrunners who intend to prefund Prime US REIT. Due to the mechanisms for the settlement of the acquisition, the purchase consideration for such acquisition is expected to be released a few days prior to the settlement for the Vendors to be able to receive the purchase consideration on the date of completion of the acquisition.

(2) Transaction costs include expenses incurred in relation to the acquisition of the Properties, the Offering, the Cornerstone Units and the Loan Facilities, where applicable.

US$306.0 million of the net proceeds from the Offering will be contributed by Singapore Sub 1 as equity capital to Parent U.S. REIT. US$475.0 million of the net proceeds from the Offering will be contributed by Singapore Sub 2 to Parent U.S. REIT by way of a loan. The proceeds received by Parent U.S. REIT, along with the proceeds received from the Loan Facilities will be used for (i) purchase of the Properties (through the Property Holding LLCs), (ii) payment of acquisition costs, debt upfront fees and set-up costs, and (iii) for working capital.

The Manager will make periodic announcements on the utilisation of the net proceeds from the Offering and the issuance of the KBS Units and Cornerstone Units via SGXNET as and when such funds are materially utilised. The actual use of such proceeds will be disclosed in the annual report of Prime US REIT.

LIQUIDITY

As at the Listing Date, Prime US REIT is expected to have an available cash balance of approximately US$4.0 million based on the Offering Price. The Manager believes that this cash balance, together with the working capital facility, and the cash flows expected to be generated from operations after the Listing Date, will be sufficient for Prime US REIT's working capital requirements over the next 12 months following the Listing Date.

OWNERSHIP OF THE UNITS

EXISTING UNITS

On 7 September 2018, upon the constitution of Prime US REIT, one Unit was issued to the Manager. The issue price of the Initial Unit was S$1.00. No other Units have been issued as at the date of this Prospectus.

PRINCIPAL UNITHOLDERS OF PRIME US REIT AND THEIR UNITHOLDINGS

The total number of Units in issue immediately after completion of the Offering and issuance of the KBS Units and the Cornerstone Units will be 923,864,000 Units.

The following table sets out the principal Unitholders of Prime US REIT and their Unitholdings immediately upon completion of the Offering and the issuance of the KBS Units and the Cornerstone Units:

	Units in issue immediately before the Offering		Units in issue after the Offering (assuming that the Over-Allotment Option is not exercised)		Units in issue after the Offering (assuming that the Over-Allotment Option is exercised in full)	
		(%)	('000)	(%)	('000)	(%)
KBS US Prime Property Management Pte. Ltd.	**1**	**100**	**n.m.**	**n.m.**	**n.m.**	**n.m.**
KBS REIT Properties III	**-**	**-**	**228,409**	**24.7**	**182,216**	**19.7**
Cornerstone Investors:	**-**	**-**				
(1) AT Investments Limited[(1)]	-	-	73,863	8.0	73,863	8.0
(2) KCIH	-	-	62,500	6.8	62,500	6.8
(3) Times Properties Private Limited	-	-	62,500	6.8	62,500	6.8
(4) Linda Bren 2017 Trust[(1)] (5) The Schreiber Trust[(1)] (6) Credit Suisse AG, Singapore Branch, Credit Suisse AG, Hong Kong Branch (on behalf of certain of their private banking clients)[(1)] (7) DBS Bank Ltd. (on behalf of certain wealth management clients)[(2)] (8) DBS Bank Ltd.[(1)] (9) Hiap Hoe Investment Pte. Ltd.[(1)]	-	-	161,389	17.4	161,389	17.4
Total Cornerstone Investors	**-**	**-**	**360,252**	**39.0**	**360,252**	**39.0**
Public and institutional investors	**-**	**-**	**335,203**	**36.3**	**381,396**	**41.3**
TOTAL	**1**	**100.0**	**923,864**	**100.0**	**923,864**	**100.0**

Notes:

(1) Based on the separate subscription agreements entered into between each of Linda Bren 2017 Trust, The Schreiber Trust, Credit Suisse AG, Singapore Branch, Credit Suisse AG, Hong Kong Branch (on behalf of certain of their private banking clients) and DBS Bank Ltd., Hiap Hoe Investment Pte. Ltd. and the Manager, none of Linda Bren 2017 Trust, The Schreiber Trust, none of the private banking clients of Credit Suisse AG, Singapore Branch and Credit Suisse AG, Hong Kong Branch (on behalf of certain of their private banking clients), DBS Bank Ltd. nor Hiap Hoe Investment Pte. Ltd. will be a Substantial Unitholder immediately upon the completion of the Offering.

(2) Steppe Investments Pte. Ltd. which is investing in Prime US REIT through DBS Bank Ltd. as a wealth management client has subscribed for 68,182,000 Units (representing 7.4% of the total Units in issue after the Offering. Save for Steppe Investments Pte. Ltd., none of the other wealth management clients of DBS Bank Ltd. subscribing for Units in Prime US REIT will be a Substantial Unitholder immediately after the completion of the Offering.

SUBSCRIPTION BY KBS REIT PROPERTIES III

Concurrently with, but separate from the Offering, KBS REIT Properties III, an indirectly wholly-owned subsidiary of KBS REIT III, has entered into the KBS Subscription Agreement to subscribe for 228,408,999 Units at the Offering Price, conditional upon the Placement Agreement and the Singapore Offer Agreement having been entered into, and not having been terminated, pursuant to its terms on or prior to the Settlement Date. Based on the register of KBS REIT III as at 31 March 2019, no shareholder of KBS REIT III holds more than 1.35% of the common stock outstanding.

SUBSCRIPTION BY THE CORNERSTONE INVESTORS

In addition, concurrently with, but separate from the Offering, each of the Cornerstone Investors has entered into separate subscription agreements with the Manager to subscribe for an aggregate of 360,251,800 Units at the Offering Price, conditional upon the Placement Agreement and the Singapore Offer Agreement having been entered into, and not having been terminated, pursuant to their terms on or prior to the Settlement Date.

The Cornerstone Investors may subscribe for Units in the Offering.

In the event that any one or more of the Cornerstone Investors fails to subscribe for and pay for the Cornerstone Units which they have committed to subscribe, the Offering will still proceed and subscribers of the Units to be issued under the Offering will still be required to pay for and complete their subscriptions of Units pursuant to the Offering.

Information on the Cornerstone Investors

AT Investments Limited

AT Investments Limited is a wholly-owned subsidiary of Auctus Investments Limited, which is in turn wholly-owned by the Sai Charan Trust, whose beneficiaries are Mr Arvind Tiku and his immediate family members.

Mr Arvind Tiku is the founder of AT Capital Group, which has an asset portfolio worth approximately US$2 billion in a diversified mix of actively managed businesses and passive financial instruments. AT Capital Group has global investments in various industries including residential and commercial real estate, hospitality, natural resources and renewable energy.

KCIH

KCIH is a wholly-owned subsidiary of KCH, the asset management arm of Keppel Corporation Limited. With S$29 billion assets under management as at 31 December 2018, KCH manages a diversified portfolio of real estate, data centre and infrastructure properties in approximately 30 cities across key global markets.

Times Properties Private Limited

Times Properties Private Limited is a wholly-owned subsidiary of Singapore Press Holdings Limited ("**SPH**") and its principal activities are letting of properties and provision of property management services.

SPH was incorporated in 1984 and listed on the Main Board of the SGX-ST. SPH's core business is publishing of newspapers and magazines. It also owns other digital products, online classifieds, radio stations and outdoor media.

On the property front, SPH owns approximately 70% in a real estate investment trust called SPH REIT which comprises Paragon, a premier upscale retail mall and medical suite/office property in Orchard Road, The Clementi Mall, a mid-market suburban mall and The Rail Mall, a stretch of shopping and dining outlets along Upper Bukit Timah Road. SPH also owns and operates The Seletar Mall. It also has a portfolio of purpose-built student accommodation in the United Kingdom. It is in the aged care sector and owns Orange Valley, Singapore's largest private nursing home operator.

Linda Bren 2017 Trust

Linda Bren 2017 Trust is a trust which indirectly holds a 33⅓% interest in KAP due to the passing of Peter M. Bren on 25 April 2019. Its sole beneficiary is Linda Bren, the spouse of Peter M. Bren.

The Schreiber Trust

The Schreiber Trust is a trust whose beneficiaries are Charles J. Schreiber, Jr. and his family members.

Credit Suisse AG, Singapore Branch and Credit Suisse AG, Hong Kong Branch (on behalf of certain of their private banking clients)

Credit Suisse AG is domiciled in Switzerland and is a wholly owned subsidiary of Credit Suisse Group AG which is listed on the SIX Swiss Exchange (ISIN: CH0012138530). Credit Suisse AG's business builds on its core strengths: its position as a leading global wealth manager, its specialist investment banking capabilities and its strong presence in its home market of Switzerland. Credit Suisse AG seeks to follow a balanced approach to wealth management, aiming to capitalise on both the large pool of wealth within mature markets as well as the significant growth in wealth in Asia Pacific and other emerging markets, while also serving key developed markets with an emphasis on Switzerland. Credit Suisse AG has entered into the cornerstone subscription agreement to subscribe for certain Cornerstone Units, on behalf of certain clients of its Asia Pacific division.

DBS Bank Ltd. (on behalf of certain wealth management clients)

DBS is a leading financial services group in Asia with a presence in 18 markets. Headquartered and listed in Singapore, DBS is in the three key Asian axes of growth: Greater China, Southeast Asia and South Asia. The bank's "AA-" and "Aa1" credit ratings are among the highest in the world.

Recognised for its global leadership, DBS has been named "Global Bank of the Year" by The Banker and "Best Bank in the World" by Global Finance. The bank is at the forefront of leveraging digital technology to shape the future of banking, having been named "World's Best Digital Bank" by Euromoney. In addition, DBS has been accorded the "Safest Bank in Asia" award by Global Finance for ten consecutive years from 2009 to 2018.

In 2018, DBS Private Bank was also awarded "Best Private Bank in Asia Pacific" by Global Finance and "Best Private Bank for Innovation" by PWM/The Banker, cementing its position as a leading wealth manager in Asia. DBS has SGD 220 billion in wealth assets under management as of FY2018.

The bank has entered into the cornerstone subscription agreement, on behalf of certain of its wealth management clients, to subscribe for the Units. The Units will be held in custody by DBS Nominees (Pte) Ltd, on behalf of such clients. DBS Nominees (Pte) Ltd acts as a custodian for these Units and neither DBS Nominees (Pte) Ltd nor DBS Bank Ltd. has any beneficial interest in the Units allotted under the cornerstone subscription agreement.

DBS Bank Ltd.

DBS is a leading financial services group in Asia with a presence in 18 markets. Headquartered and listed in Singapore, DBS is in the three key Asian axes of growth: Greater China, Southeast Asia and South Asia. The bank's "AA-" and "Aa1" credit ratings are among the highest in the world.

Recognised for its global leadership, DBS has been named "Global Bank of the Year" by The Banker and "Best Bank in the World" by Global Finance. The bank is at the forefront of leveraging digital technology to shape the future of banking, having been named "World's Best Digital Bank" by Euromoney. In addition, DBS has been accorded the "Safest Bank in Asia" award by Global Finance for ten consecutive years from 2009 to 2018.

Hiap Hoe Investment Pte. Ltd.

Hiap Hoe Investment Pte. Ltd. is a wholly-owned subsidiary of Hiap Hoe Limited. Singapore mainboard-listed Hiap Hoe Limited is a regional premium real estate group with a diversified portfolio of hospitality, retail, commercial and residential assets. Hiap Hoe Limited is known for the development of luxury and mid-tier residential as well as hotel-cum-commercial properties that are distinct in design and preferred for their excellent location and investment prospects. Hiap Hoe Limited's portfolio includes distinctive projects such as Zhongshan Park Integrated Development, Skyline 360 ° At St Thomas Walk, Waterscape At Cavenagh, The Beverly, Signature At Lewis and HH @ Kallang, among others. Its hospitality assets include Ramada Singapore at Zhongshan Park, Days Hotel Singapore at Zhongshan Park, Holiday Inn Express Trafford City in Manchester, United Kingdom, Four Points by Sheraton Melbourne Docklands and Aloft Perth. In addition, Hiap Hoe Limited has more than three decades of experience in investing in major asset classes and currently holds a financial investments portfolio in excess of S$200 million.

LOCK-UPS

Each of KBS REIT III, KBS REIT Holdings III, KBS LP III and KBS REIT Properties III has agreed to (i) a lock-up arrangement during the First Lock-up Period in respect of its direct and indirect effective interest in the Lock-up Units, and (ii) a lock-up arrangement during the Second Lock-up Period in respect of its direct and indirect effective interest in 50.0% of the relevant Lock-up Units, subject to certain exceptions.

The Manager has also undertaken not to offer, issue, contract to issue any Units, or make any announcements in connection with any of the foregoing transactions, during the First Lock-up Period, subject to certain exceptions.

Save for DBS Bank Ltd. in respect of its own investment, the Cornerstone Investors are not subject to any lock-up restrictions in respect of their Unitholdings. DBS Bank Ltd. has agreed to a lock-up arrangement during the First Lock-up Period in respect of its interest in the DBS Cornerstone Units (as defined herein) held by it, subject to certain exceptions. For the avoidance of doubt, the Units held by DBS Bank Ltd. (on behalf of certain private banking clients) will not be subject to any lock-up restrictions.

(See "Plan of Distribution – Lock-up Arrangements" for further details.)

SUBSCRIPTION BY THE DIRECTORS

The directors of the Manager (the "**Directors**", and each a "**Director**") may subscribe for Units under the Singapore Public Offer and/or the Placement Tranche. Save for the Manager's internal policy which prohibits the directors of the Manager from dealing in the Units at certain times, there is no restriction on the directors of the Manager disposing of or transferring all or any part of their Unitholdings. (See "The Manager and Corporate Governance – Corporate Governance of the Manager – Dealings in Units" for further details.)

RESTRICTIONS ON OWNERSHIP OF THE UNITS

The Trust Deed contains restrictions on the ownership and transfer of the Units that are intended to assist Prime US REIT's subsidiaries and/or associates in qualifying as a U.S. REIT. In particular, the Trust Deed prohibits any Unitholder or other person from directly or indirectly owning in excess of the Unit Ownership Limit, being 9.8% of the outstanding Units, subject to any increase or waiver pursuant to the terms of the Trust Deed and on the recommendation of the Manager. The Trust Deed provides that Units held directly or indirectly by any person in excess of the Unit Ownership Limit will be subject to Automatic Forfeiture. While forfeited Units are held by the Trustee, all rights attributable to those Units, such as the right to vote and the right to receive distributions, will be held by the Trustee; the Unitholder from whom the Units are forfeited shall have no right to vote or receive distributions arising from such Units. The Trustee (on the recommendation of the Manager) will have the right and power to dispose of Units subject to Automatic Forfeiture, and upon such disposal the Unitholder from whom the Units are forfeited will receive the proceeds (net of any commissions and expenses) from the disposition, but not in excess of (a) the price paid by such Unitholder for the forfeited Units or (b) if such Unitholder did not give value for the forfeited Units in connection with the event causing the Units to be forfeited (e.g. in the case of a gift, a non-pro rata Unit buy-back, a non-pro rata Unit consolidation or other corporate action where no acquisition or transfer of Units by a Unitholder takes place but has the result of increasing a Unitholder's proportionate unitholdings), the market price of the Units on the day of the event causing the Automatic Forfeiture, in each case less certain distributions received by the Unitholder; any excess shall be donated by the Trustee to a charitable, philanthropic or benevolent organisation or purpose nominated by the Manager. If, prior to the discovery by the Trustee that Units are subject to Automatic Forfeiture, such Units are sold by the Unitholder, then such Units shall be deemed to have been sold on behalf of the Trustee and to the extent that such Unitholder received an amount in excess of the amount which it would otherwise have been entitled to, such excess shall be paid to the Trustee upon demand to be donated to a charitable, philanthropic or benevolent organisation or purpose nominated by the Manager.

For the avoidance of doubt, the Automatic Forfeiture is effective automatically, whether or not the Trustee or the Manager is aware of the change in ownership or aware of the fact that the Unit Ownership Limit has been breached and without any requirement for notice by the Trustee or the Manager. Unitholders are advised to manage their interests in the Units so as not to breach the Unit Ownership Limit and trigger the Automatic Forfeiture.

The Trustee, acting on the recommendation of the Manager, will also have the right and power to grant either retroactive or prospective waivers from Automatic Forfeiture. A retroactive waiver will render any Automatic Forfeiture void and will restore, as far as possible, the Unitholder whose Units were forfeited to a position that it would have been in had there been no Automatic Forfeiture. Before a waiver is granted, the Trustee and the Manager must be satisfied (and in this respect the Trustee may act on the recommendation and rely on information provided by the Manager) that ownership of such Units will not cause any subsidiary or associate of Prime US REIT to fail to qualify as a U.S. REIT where such subsidiary or associate would otherwise qualify. In this regard, a potential investor seeking a prospective waiver may be required to provide (i) additional representations, undertakings, a United States Internal Revenue Service ("**IRS**") ruling and/or legal opinion to satisfy the Trustee and the Manager that the Parent U.S. REIT will continue to maintain its qualification as an U.S. REIT despite the potential investor's proposed ownership and (ii) an acknowledgement and consent to the loss of the U.S. Portfolio Interest Exemption (as defined herein). The Trustee shall grant a waiver from Automatic Forfeiture upon application by an Exempted Offeror, without any recommendation from the Manager or any representations and undertakings being required, upon application for waiver from an Exempted Offeror. The Trustee (on the recommendation of the Manager) will exercise its discretion to grant waivers except to the extent that the proposed ownership would in fact impact the Parent U.S. REIT's qualification as an U.S. REIT. The Trustee, acting on the recommendation of the Manager, may also increase the Unit Ownership Limit for a Unitholder (including on a retroactive basis to remediate an Automatic Forfeiture) where such an increase would not adversely affect the Parent U.S. REIT status of the U.S. REIT. The Trustee shall not be required to give any reason for, and shall not under any circumstance be liable to or be responsible for any losses incurred by, any person as a result of, any decision, declaration or action taken or made in this regard. The Trustee has the right to terminate the Automatic Forfeiture mechanism once the Trustee (on the recommendation of the Manager) determined that maintaining restrictions on beneficial ownership, constructive ownership and transfer of units is no longer in the best interest of Prime US REIT. (See "The Formation and Structure of Prime US REIT – The Trust Deed – Restriction on Ownership of the Units" and "Taxation – U.S. Federal Income Tax Overview – U.S. Federal Income Taxation of the U.S. REIT" for further details.)

In this regard, KBS REIT Properties III will own a 24.7% interest in Prime US REIT. (See "Ownership of the Units – Principal Unitholders of Prime US REIT and their Unitholdings" for further details.) The Trustee (on the recommendation of the Manager) has granted KBS REIT Properties III a waiver from the Automatic Forfeiture for it to hold up to a 26.0% interest in Prime US REIT on the basis that (i) as advised by the Independent U.S. Tax Adviser, such waiver shall not affect the Parent U.S. REIT's qualification as an U.S. REIT for U.S. federal income tax purposes since KBS REIT Properties III is indirectly wholly-owned by KBS REIT III, a Maryland corporation that qualifies as a U.S. REIT for U.S. federal income tax purposes; and (ii) KBS REIT Properties III has provided the Trustee with an acknowledgement letter consenting to the potential loss of the U.S. Portfolio Interest Exemption. The Automatic Forfeiture provision, in part, protects the Parent U.S. REIT from being closely held (a U.S. REIT cannot be held more than 50% by five or fewer individuals). The waiver is appropriate as KBS REIT III (the owner of 100% of the indirect interests in KBS REIT Properties III) is itself a U.S. REIT that is not closely held and thus compliant with the U.S. REIT rules with respect to diversity of ownership, and in this regard, KBS REIT III's charter prohibits any person or group of persons from acquiring, directly or indirectly, beneficial or constructive ownership of more than 9.8% of its aggregate outstanding shares unless exempted by KBS REIT III's board of directors. KBS REIT III's board of directors may waive this ownership limit with respect to a particular person if KBS REIT III's board receives evidence that ownership in excess of the limit will not jeopardise its U.S. REIT status. Any attempted transfer of KBS REIT III's shares that, if effective, would result in a violation of KBS REIT III's ownership limit will be null and void and will cause the number of shares causing the violation to be automatically transferred to a trust for the exclusive benefit of one or more charitable beneficiaries. For the avoidance of doubt, the potential loss of the U.S. Portfolio Interest Exemption for KBS REIT Properties III has no impact on other Unitholders, as this relates to distributions solely to KBS REIT Properties III and not the other unitholders. In addition, the increase in the unitholding of KBS REIT Properties III would not affect the unitholding level which other Unitholders can hold (i.e. there is no reduction of the Unit Ownership Limit). Accordingly, there are no negative implications to Prime US REIT or Parent U.S. REIT arising from KBS REIT Properties III's 24.7% interest in Prime US REIT, which is above the Unit Ownership Limit, and the potential loss of the U.S. Portfolio Interest Exemption for KBS REIT Properties III for the reasons set out in the foregoing. There is no maximum unitholding by KBS REIT Properties III that would negatively affect the Parent U.S. REIT's qualification as a U.S. REIT.

Regardless of KBS REIT III's qualification as a U.S. REIT, the Unit Ownership Limit waiver of KBS REIT Properties III contains, among others, a representation that there is no individual (including after application of the attribution rules) owning a direct or indirect interest of more than 9.8% in KBS REIT III. In order for the Unit Ownership Limit waiver to remain effective, these representations must remain true. In the event they are no longer true, the Automatic

Forfeiture provisions will automatically and retroactively protect the U.S. REIT status of Parent U.S. REIT. Any increase in the Unit Ownership Limit of KBS REIT Properties III will be subject to a re-assessment of the waiver by the Trustee. The basis of any such waiver would be on the same or similar representations regarding ownerships as discussed herein and would likely be granted as long as there would not be any negative U.S. federal income tax consequences to Prime US REIT or the Parent U.S. REIT's qualification as a U.S. REIT. Such an increased waiver, the basis of such waiver and any U.S. federal income tax consequences to Prime US REIT or the Parent U.S. REIT's qualification as a U.S. REIT would be announced by the Manager.

Similar Unit Ownership Limit waivers would be granted to other Unitholders seeking a waiver on the same basis, and with the same automatic and retroactive protections, provided that the Trustee and the Manager are satisfied that ownership of the Units will not cause any subsidiary or associate of Prime US REIT to fail to qualify as a U.S. REIT for U.S. federal income tax purposes where such subsidiary or associate would otherwise qualify.

DISTRIBUTIONS

DISTRIBUTION POLICY

Prime US REIT's distribution policy is to distribute 100.0% of Prime US REIT's Annual Distributable Income for the period from the Listing Date to the end of Projection Year 2020. Thereafter, Prime US REIT will distribute at least 90.0% of its Annual Distributable Income for each financial year. The actual level of distribution will be determined at the Manager's discretion. The actual proportion of Annual Distributable Income distributed to Unitholders beyond the end of Projection Year 2020 may be greater than 90.0% to the extent that the Manager believes it to be appropriate, having regard to Prime US REIT's funding requirements, other capital management considerations and the overall stability of distributions. The Parent U.S. REIT intends to distribute at least 90% of its annual real estate investment trust taxable income (excluding capital gains).

For these purposes, and under the terms of the Trust Deed, the "**Annual Distributable Income**" for a financial year is the amount calculated by the Manager (based on the audited financial statements of Prime US REIT for that financial year) as representing the consolidated audited net profit after tax of Prime US REIT (which includes the net profits of the SPVs held by Prime US REIT for the financial year, to be pro-rated where applicable to the portion of Prime US REIT's interest in the relevant SPV) for the financial year, as adjusted to eliminate the effects of Adjustments (as defined below). After eliminating the effects of these Adjustments, the Annual Distributable Income may be different from the net profit recorded for the relevant Financial Year.

"**Adjustments**" means adjustments which are charged or credited to the consolidated profit and loss account of Prime US REIT for the relevant financial year or the relevant distribution period (as the case may be), including (i) differences between cash and accounting Gross Revenue, (ii) unrealised income or loss, including property revaluation and financial instruments/derivatives/assets/liabilities gains or losses, and provision or reversals of impairment provisions, (iii) deferred tax charges/credits; (iv) negative goodwill, (v) differences between cash and accounting finance costs, (vi) realised gains or losses on the disposal of properties and disposal/settlement of financial instruments, (vii) the portion of the Management Fee that is paid or payable in the form of Units, (viii) costs of any public or other offering of Units or convertible instruments that are expensed but are funded by proceeds from the issuance of such Units or convertible instruments, (ix) depreciation and amortisation in respect of the Properties and their ancillary machines, equipment and other fixed assets; (x) adjustment for amortisation of rental incentives, (xi) other non-cash or timing differences related to income or expenses and (xii) other charges or credits (as deemed appropriate by the Manager).

The Manager also has the discretion to distribute any additional amounts (including capital). In determining whether to distribute additional amounts (including capital), the Manager will consider a range of factors including but not limited to Prime US REIT's funding requirements, its financial position, its growth strategy, compliance with relevant laws, regulations and covenant, other capital management considerations, the overall suitability of distributions and prevailing industry practice.

FREQUENCY OF DISTRIBUTIONS

After Prime US REIT is admitted to the Main Board of the SGX-ST, it will make distributions to Unitholders on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the six-month period ending on each of the said dates. Prime US REIT's First Distribution will be for the period from the Listing Date to 31 December 2019 and will be paid by the Manager on or before 31 March 2020. Subsequent distributions will take place on a semi-annual basis. The Manager will endeavour to pay distributions no later than 90 days after the end of each distribution period.

Source of Distributions

Prime US REIT's primary source of liquidity for the funding of distributions will be the receipts of rental income and borrowings.

Each of the Property Holding LLCs will distribute cash up to the Parent U.S. REIT through the various intermediate entities in between.

The Parent U.S. REIT will in turn distribute cash up (i) to Singapore Sub 1 through return of capital and/or payment of dividends and (ii) to the Singapore Lending Sub(s) through interest payments on the intercompany loan(s) between the Singapore Lending Sub(s) and the Parent U.S. REIT and/or repayment of the intercompany loan(s) principal.

Singapore Sub 1 and the Singapore Lending Sub(s) will distribute cash up to Prime US REIT through dividend payments and/or return of capital. Prime US REIT will distribute the funds received from both Singapore Sub 1 and the Singapore Lending Sub(s) to Unitholders as determined by the Manager.

Under the Property Funds Appendix, if the Manager declares a distribution that is in excess of profits, the Manager should certify, in consultation with the Trustee, that it is satisfied on reasonable grounds that, immediately after making the distribution, Prime US REIT will be able to fulfil, from the Deposited Property, the liabilities of Prime US REIT as they fall due. The certification by the Manager should include a description of the distribution policy and the measures and assumptions for deriving the amount available to be distributed from the Deposited Property. The certification should be made at the time the distribution is declared.

DISTRIBUTION CURRENCY

Distributions will be declared in U.S. dollars. Each Unitholder will receive his distribution in Singapore dollars equivalent of the U.S. dollar distribution declared, unless he elects to receive the relevant distribution in U.S. dollars by submitting a "Distribution Election Notice" by the relevant cut-off date. For the portion of the distributions to be paid in Singapore dollars, the Manager will make the necessary arrangements to convert the distributions in U.S. dollars into Singapore dollars, at such exchange rate as the Manager may determine, taking into consideration any premium or discount that may be relevant to the cost of exchange. CDP, the Manager or Prime US REIT shall not be liable for any loss arising from the conversion of distributions payable to Unitholders from U.S. dollars into Singapore dollars. Save for approved depository agents (acting as nominees of their customers), each Unitholder may elect to receive his entire distribution in Singapore dollars or U.S. dollars and shall not be able to elect to receive distributions in a combination of Singapore dollars and U.S. dollars.

DISTRIBUTIONS WILL BE REDUCED IF UNITHOLDER DOES NOT SUBMIT REQUIRED US TAX FORMS

You must comply with certain documentation requirements in order to be exempted from withholding tax under the United States Internal Revenue Code of 1986, as amended (the "**IRC**"), including under the FATCA. Specifically, you must establish your (i) status for FATCA purposes by providing an applicable IRS Form W-8 and/or such other certification or other information related to FATCA that is requested from time to time and (ii) your eligibility for the U.S. Portfolio Interest Exemption by providing an applicable IRS Form W-8 and a U.S. Tax Compliance Certificate in the form set forth in Appendix I and/or other information related to such exemption that is requested from time to time. You must also provide updates of any changes to your status for FATCA and the U.S. Portfolio Interest Exemption purposes including information relating to your name, address, citizenship, personal identification number or tax identification number, tax residencies, and tax status. Such information may be disclosed or reported to the IRS, the IRAS or other applicable tax or regulatory authorities for the purpose of compliance with FATCA and the U.S. Portfolio Interest Exemption. If you fail to provide or to update relevant information necessary for compliance with U.S. tax withholding requirements, including FATCA and the U.S. Portfolio Interest Exemption, or provide inaccurate, incomplete or false information, amounts payable by Prime US REIT to you may be subject to deduction or withholding in accordance with U.S. tax law and any intergovernmental agreements.

Boardroom Corporate & Advisory Services Pte. Ltd, the Unit Registrar of Prime US REIT, will dispatch US Tax forms and certifications to Unitholders who do not have valid documentation on file prior to Prime US REIT making any Distributions to Unitholders.

As an illustration, if you invest US$1,000 in Prime US REIT, you would receive 1,136 Units based on the Offering Price of US$0.88. If Prime US REIT were to declare a distribution of 4.87 U.S. cents per Unit for the Forecast Period 2019 and a distribution of 6.70 U.S. cents per Unit for the Projection Year 2020, the net amount you would receive from such distributions would vary depending on whether the required documentation or information is duly completed and received by Prime US REIT as follows:

No.	Documentation/Other Information	Return of Capital and Distribution Paid
1	Duly completed, demonstrates eligibility for the U.S. Portfolio Interest Exemption, establishes FATCA status, and received by the Manager	4.87 U.S. cents per Unit (or its equivalent amount in Singapore dollars) for Forecast Period 2019, and 6.70 U.S. cents per Unit (or its equivalent amount in Singapore Dollars) for Projection Year 2020.
2	Failure to provide documentation or other information to the Manager or information provided to the Manager is inaccurate, incomplete or false(1)	3.85 U.S. cents per Unit (or its equivalent amount in Singapore dollars) for Forecast Period 2019, and 5.35 U.S. cents per Unit (or its equivalent amount in Singapore Dollars) for Projection Year 2020.

Note:

(1) Assumes that a 30% U.S. withholding tax is applied on the portion of the distribution received through interest paid by Parent U.S. REIT to Singapore Sub 2. The projected distribution also includes cash received through repayment of capital by Parent U.S. REIT to Singapore Sub 1.

EXCHANGE RATE INFORMATION

The tables below set forth, for the period from 2014 to the Latest Practicable Date, information concerning the exchange rates between Singapore dollars and U.S. dollars (in Singapore dollar per U.S. dollar). The exchange rates were based on the average between the bid and offer rates of the currency as obtained from Bloomberg L.P.[(1)]. No representation is made that the U.S. dollar amounts actually represent such Singapore dollar amounts or could have been or could be converted into Singapore dollars at the rates indicated, at any other rate, or at all. The exchange rates set out below are historical rates for illustrative purposes only and no representation is made regarding any trends in exchange rates.

	Singapore dollar/U.S. dollar[(1)]		
Period ended	**Average**	**High**	**Low**
2014	1.2673	1.3255	1.2368
2015	1.3747	1.4328	1.3174
2016	1.3807	1.4509	1.3373
2017	1.3806	1.4507	1.3360
January 2018	1.3215	1.3356	1.3073
February 2018	1.3196	1.3312	1.3082
March 2018	1.3148	1.3230	1.3090
April 2018	1.3160	1.3289	1.3086
May 2018	1.3394	1.3459	1.3308
June 2018	1.3487	1.3677	1.3325
July 2018	1.3632	1.3708	1.3567
August 2018	1.3689	1.3802	1.3618
September 2018	1.3710	1.3789	1.3640
October 2018	1.3799	1.3857	1.3717
November 2018	1.3752	1.3842	1.3704
December 2018	1.3707	1.3764	1.3629
January 2019	1.3564	1.3665	1.3456
February 2019	1.3539	1.3610	1.3473
March 2019	1.3542	1.3609	1.3470
April 2019	1.3562	1.3631	1.3518
May 2019	1.3711	1.3812	1.3605
June 2019[(2)]	1.3642	1.3716	1.3535

Notes:

(1) **Source:** Bloomberg L.P.. Bloomberg L.P. has not provided its consent, for the purposes of Section 249 of the SFA (read with Section 302(1) of the SFA), to the inclusion of the exchange rates quoted above in this Prospectus and therefore is not liable for such information under Sections 253 and 254 of the SFA (read with Section 302(1) of the SFA). While the Manager has taken reasonable action to ensure that the information from the above exchange rates published by Bloomberg L.P. is reproduced in its proper form and context, and that the information is extracted accurately and fairly, neither the Manager, the Sole Financial Adviser and Issue Manager, the Joint Bookrunners nor any other party has conducted an independent review of the information contained in such report or verified the accuracy of the contents of the relevant information.

(2) Until the Latest Practicable Date.

EXCHANGE CONTROLS

Currently, no exchange control restrictions exist in the United States. The U.S. dollar has been, and in general is, freely convertible.

CAPITALISATION AND INDEBTEDNESS

The following table sets forth the pro forma capitalisation of Prime US REIT as at the Listing Date. The information in the table below should be read in conjunction with "Use of Proceeds".

	As at Listing Date
	(US$'000)
Borrowings	452,196
Units in issue	813,000
Preference shares[(1)]	125
Total Capitalisation	**1,265,321**

Note:

(1) Assuming the preference shares are issued on the Listing Date.

INDEBTEDNESS

On the Listing Date, Prime US REIT will have in place the following debt facilities, through its wholly-owned subsidiaries, aggregating US$485.0 million (the "**Loan Facilities**"), of which US$452.2 million is expected to be drawn as of the Listing Date:

(i) a three-year (with two one-year extension options) unsecured revolving credit facility of US$100.0 million (the "**Revolving Credit Facility**). The interest payable is on a floating rate basis. Bank of America, N.A. is the administrative agent for this facility.

(ii) a four-year term loan facility of US$140.0 million. The interest payable is on a floating rate basis. The Manager intends to assume an interest rate hedging instrument entered into by a wholly-owned subsidiary of KBS REIT III which will hedge both this four-year facility and a five-year term loan facility mentioned below and will be finalised and commence prior to the IPO. Considering the anticipated impact of the interest rate hedge, the per annum interest rate of the four-year facility will be fixed at approximately 3.06% for Forecast Period 2019, 3.11% for Projection Year 2020, and an average of 3.43% for the remaining term of the loan. The facility has no amortisation payments and is repayable fully at maturity. The borrower of this facility will be Prime US-Lower Tier, LLC, which has pledged its equity interest in each of the Property-Tier US, LLCs. Bank of America, N.A. is the administrative agent for this facility.

(iii) a five-year term loan facility of US$140.0 million. The interest payable is on a floating rate basis. Considering the anticipated impact of the interest rate hedge mentioned above, the per annum interest rate of the five-year facility will be fixed at approximately 3.06% for Forecast Period 2019, 3.11% for Projection Year 2020, and an average of 3.49% for remaining term of the loan. The facility has no amortisation payments and is repayable fully at maturity. The borrower of this facility will be Prime US-Lower Tier, LLC, which has pledged its equity interest in each of the Property-Tier US, LLCs. Bank of America, N.A. is the administrative agent for this facility.

(the four-year and five-year facilities are collectively referred to as the "**Term Loan Facilities**").

(iv) a ten-year term loan facility of US$105.0 million (the "**222 Main Facility**"). The interest payable will be on a fixed rate basis. The KBS REIT III subsidiary that currently owns the 222 Main property has entered into an agreement that locks in the interest rate on this facility at 4.11% per annum. The 222 Main Facility has no amortisation payments and is repayable fully at maturity. The borrower of this facility will be Prime US-222 Main, LLC, and the facility will be secured by the 222 Main property. The lender of the 222 Main Facility is expected to be Met Life Real Estate Lending LLC (the "**222 Main Lender**").

The Term Loan Facilities, US$67.2 million of the Revolving Credit Facility and the 222 Main Facility will be drawn down on the Listing Date for a total amount of US$452.2 million, which will result in an Aggregate Leverage of 37.0%. Based on the interest rates discussed above and current forward London interbank offered rates, the Manager expects the weighted average interest rate for the Forecast Period 2019 and Projection Year 2020 to be 3.45% per annum.

The Term Loan Facilities, the drawn portion of the Revolving Credit Facility and the 222 Main Facility will be used to partially finance the purchase of the Properties, including the repayment of existing indebtedness, finance general corporate purposes and/or working capital requirements and finance transaction fees, costs and expense. The undrawn portion of the Revolving Credit Facility will be used for general corporate purposes and/or working capital requirements, capital expenditures, finance transaction fees, costs and expenses, and to finance the acquisition of permitted investments in the future.

Principal Terms of the Term Loan Facilities and the Revolving Credit Facility

The obligations of the Borrower under the Term Loan Facilities and the Revolving Credit Facility are guaranteed by the Trustee and the Parent U.S. REIT.

The agreement relating to the Term Loan Facilities and the Revolving Credit Facility contain financial covenants requiring, inter alia, that:

(i) the aggregate of the total borrowings and deferred payments of Prime US REIT is not more than 45.0% of the total Deposited Property (as specified in the Property Funds Appendix) of Prime US REIT at all times;

(ii) compliance with the investment guidelines regulating collective investment schemes that invest or propose to invest in real estate related assets as set out in Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore;

(iii) Prime US REIT's interest cover ratio shall not be less than 1.75 times;

(iv) maximum priority debt loan-to-value ratio of 30%, defined as the ratio of priority debt to total Deposited Property. Priority debt is subsequently defined as the aggregate amount of debt of Prime US REIT, the Borrower, the Trustee and each existing and future direct subsidiary of the Borrower (collectively, the "**Borrower Group**") whether on a recourse, a limited recourse or non-recourse basis, of:

    (a) Prime US REIT (excluding the Term Loan Facilities and Revolving Credit Facility and any borrowing that rank pari-passu with the Term Loan Facilities and Revolving Credit Facility); and

    (b) Each subsidiary of Prime US REIT (excluding any unsecured borrowing that are guaranteed by Prime US REIT and incurred by a wholly-owned subsidiary of Prime US REIT that:

        (I) provides treasury and finance services in its ordinary course of business; and

        (II) does not own, whether directly or indirectly, any real estate assets),

    For the purposes of the definition of priority debt, the borrowings of Prime US REIT or each such subsidiary shall include an amount attributable to the Borrowings of any entity in which it has a minority shareholding, proportionate to the Prime US REIT or such subsidiary's shareholding in such entity calculated in accordance with the Property Fund Guidelines. The definition of priority debt cannot be revised or amended unless credit approval for a loan modification with the unanimous consent of the lenders to the Term Loan Facilities and Revolving Credit Facility (the "**Lenders**") is received.

In addition and for the avoidance of doubt:

(a) shareholder loans to any member of the Borrower Group shall not constitute a priority debt;

(b) Priority debt shall (without double counting) include the amount of any liability in respect of any guarantee or indemnity provided by any subsidiary of Prime US REIT in respect of any borrowing of the Prime US REIT or any other holding company of such subsidiary; and

(c) Priority debt shall exclude the Term Loan Facilities and Revolving Credit Facility,

(v) maximum recourse priority debt loan-to-value ratio of 10%, defined as the ratio of recourse priority debt to total Deposited Property.

The financial covenants will be met as at Listing Date.

The agreement relating to the Term Loan Facilities and Revolving Credit Facility also include the following change of control events, where if such events are triggered, (i) Lenders will not be obliged to fund any loan or advance and (ii) the cancellation and repayment of loans may be required by the lenders holding loans and commitments representing at least 66⅔% of the aggregate amount of loans and commitments (the "**Required Lenders**"):

(i) The Manager ceasing to be the manager of Prime US REIT or KAP ceasing to own at least 400,000 shares in the manager, or KAP ceasing to have the right to nominate the majority of the directors to the Board or KAP ceasing to be controlled and at least 50% owned, directly or indirectly, by one or more of Charles J. Schreiber, Jr., Linda Bren 2017 Trust, Richard Bren and Rahul Rana unless, in each case, (a) a replacement manager is appointed within 90 days of cessation and (b) such replacement manager is approved by the administrative agent and the Required Lenders in their reasonable discretion, (and provided that the administrative agent uses commercially reasonable efforts to promptly notify the Borrower of its approval or disapproval of the replacement manager), or any change in any such replacement manager or in the majority ownership of a control over such replacement manager unless the requirements in sub-paragraphs (a) and (b) are satisfied; or

(ii) Prime US REIT ceasing to own and control, directly or indirectly, 100% of the Parent U.S. REIT and Borrower or the Borrower ceasing to own and control, directly or indirectly through the property owners of the unencumbered asset pool properties, the unencumbered asset pool properties excluding any of such properties that have been released pursuant to certain provisions; or

(iii) A change of Trustee, unless a replacement Trustee that complies with the criteria for a "qualifying trustee" set forth in the documentation for the Term Loan Facilities and Revolving Credit Facility and is reasonably acceptable to the administrative agent and Required Lenders, is appointed in accordance with the Trust Deed; or

(iv) KBS RA ceasing to be the U.S. asset manager appointed by the Manager or ceasing to be controlled directly or indirectly by, or ceasing to be at least 50% owned directly or indirectly by, one or more of Charles J. Schreiber, Jr., the estate of Peter M. Bren, Richard Bren, and/or an irrevocable trust in which Linda Bren is the beneficiary and in which Richard Bren is the trustee, unless (a) a replacement asset manager is appointed within 90 days of such cessation, and (b) such replacement asset manager is approved by the administrative agent and the Required Lenders in their reasonable discretion.

Principal Terms of the 222 Main Facility

The 222 Main Facility includes the following covenants made by Prime US-222 Main, LLC and in the event of any breach of such covenants which shall constitute an event of default of the terms of the 222 Main Facility, the 222 Main Lender may, among others, seek repayment of the loan under the 222 Main Facility:

(i) During the term of the 222 Main Facility, the trustee of Prime US REIT shall be the Trustee, provided that the Trustee may be replaced with a replacement trustee reasonably acceptable to the 222 Main Lender within 90 days after the removal or resignation of the Trustee. The Trust Deed may be amended or replaced with a replacement trust deed provided that the allocation of rights and responsibilities as to the administration of Prime US REIT remain substantially the same as those in place at IPO, unless otherwise approved by the 222 Main Lender in writing (which approval shall not be unreasonably withheld to the extent any such amendment or replacement is required by the MAS or by applicable Singapore law); or

(ii) During the term of the 222 Main Facility, the manager of Prime US REIT shall be the Manager, provided that the Manager may be replaced with a replacement manager which assumes the role of the manager of Prime US REIT within 90 days after the removal or resignation of the prior manager. Once approved by the 222 Main Lender, there shall be no change in the manner in which the applicable manager is controlled (including, as applicable, the manner in which its board of directors is nominated and/or elected), unless otherwise approved by the 222 Main Lender in writing (which approval shall not be unreasonably withheld to the extent any such amendment or replacement is required by the MAS or by applicable Singapore law); or

(iii) During the term of the 222 Main Facility, the Manager US Sub shall be the service provider under the Manager US Services Agreement provided that the Manager US Sub may be replaced with a replacement service provider within 90 days after the removal of the prior service provider. There shall be no amendment of the Manager US Services Agreement in a manner which materially adversely affects Prime US-222 Main, LLC's rights or obligations thereunder, without the 222 Main Lender's prior written approval. The Manager US Sub (or its replacement service provider under the Manager US Services Agreement) shall at all times be wholly owned and controlled by the Manager; or

(iv) During the term of the 222 Main Facility, the asset manager shall be KBS RA under the KBS Management Agreement provided that KBS RA may be replaced with a replacement asset manager which assumes the role of the asset manager within 90 days after the removal of the prior asset manager. There shall be no amendment of the KBS Management Agreement in a manner which materially adversely affects Prime US-222 Main, LLC's rights or obligations thereunder, without 222 Main Lender's prior written approval.

The 222 Main Facility contains provisions that would require Prime US REIT to deposit up to US$12.4 million in an escrow account until a new tenant is found, should Goldman Sachs terminate or not renew its lease, which expires on 31 May 2025 at 222 Main. In the event that Prime US REIT is unable to fund this amount from the Revolving Credit Facility, Prime US REIT's ability to pay distributions may be adversely affected.

For the purposes of Rule 728 of the Listing Manual, the Sponsor has provided an undertaking to the Manager and the Trustee that, for so long as KAP is a controlling shareholder of the Manager, it will notify the Manager and the Trustee as soon as it becomes aware of the details of:

(i) any share pledging arrangement (or other arrangements having similar legal or economic effect) relating to all or any of the shareholding interests in the Manager held directly or indirectly by KAP; and

(ii) any event which may result in a breach of the terms of any Facility.

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The Unaudited Pro Forma Consolidated Financial Information has been prepared for illustrative purposes only and on the basis of the assumptions and accounting policies set out in Appendix C "Unaudited Pro Forma Consolidated Financial Information", and hence, may not give a true picture of the actual profit or loss and financial position of Prime US REIT. The Unaudited Pro Forma Consolidated Financial Information should be read together with these assumptions and accounting policies.

Unaudited Pro Forma Consolidated Statement of Financial Position(1)

	As at 31 December 2018
	US$'000
Current Assets:	
Cash and cash equivalents	27,459
Prepaid expenses and other assets	629
Total current assets	**28,088**
Non-current Assets:	
Investment properties	1,222,150
Total non-current assets	**1,222,150**
Total assets	**1,250,238**
Current Liabilities:	
Accounts payable and accrued liabilities	17,231
Other liabilities	4,542
Total current liabilities	**21,773**
Non-current Liabilities:	
Loans and borrowings	448,558
Rental security deposits	2,315
Preferred shares	125
Total non-current liabilities	**450,998**
Total liabilities	**472,771**
Net assets attributable to Unitholders	**777,467**
Units in issue ('000)	923,864
Net asset value per Unit (US$)	0.84

Note:

(1) Based on the Offering Price of US$0.88 per Unit.

Unaudited Pro Forma Consolidated Statements of Comprehensive Income

	Year Ended 31 December		
	2016	**2017**	**2018**
	US$'000	**US$'000**	**US$'000**
Revenue:			
Rental income	84,799	84,592	90,929
Recoveries income	14,886	16,735	18,532
Other operating income	7,916	8,135	8,993
Gross Revenue	**107,601**	**109,462**	**118,454**
Expenses:			
Operating, maintenance and management	(25,390)	(26,562)	(28,665)
Real estate taxes and insurance	(13,583)	(14,885)	(15,440)
Property expenses	**(38,973)**	**(41,447)**	**(44,105)**
Net Property Income	**68,628**	**68,015**	**74,349**
Manager's Base Fee	(4,229)	(4,516)	(5,110)
Manager's Performance Fee	—	—	(1,089)
Trustee's fee	(244)	(244)	(244)
General and administrative expenses	(3,500)	(3,500)	(3,605)
Finance expenses	(14,887)	(15,447)	(17,019)
Net income before tax, fair value change in investment properties and other non-operating income	**45,768**	**44,308**	**47,282**
Finance income	7	5	29
Fair value change in investment properties	(12,429)	(4,560)	(3,814)
Tax expense	(8,544)	(8,675)	(5,455)
Net income after tax and fair value change in investment properties	**24,802**	**31,078**	**38,042**

Unaudited Pro Forma Consolidated Statement of Cash Flows

	Year ended 31 December 2018
	US$'000
Cash flows from operating activities:	
Net income	35,707
Adjustments for:	
Straight-line rent and amortisation of lease incentives	(6,593)
Manager's fee paid/payable in Units	4,093
Finance expenses	16,877
Amortisation of lease commissions	195
Fair value change in investment properties	10,733
Changes in working capital:	
Rent and other receivables	(1,274)
Prepaid expenses and other assets	(268)
Accounts payable and accrued liabilities	(124)
Deferred tax	5,298
Other liabilities	601
Net cash flows generated from operating activities	**65,245**
Cash flows from investing activities:	
Acquisition of investment properties and related assets and liabilities	(1,209,822)
Additions to investment properties	(25,218)
Acquisition costs	(4,335)
Cash flows used in investing activities	**(1,239,375)**
Cash flows from financing activities:	
Proceeds from issuance of units	813,000
Payments of costs related to issuance of units	(31,198)
Proceeds from debt financings	452,196
Increase in borrowings for capital expenditures	25,218
Payment of debt related transaction costs	(3,638)
Proceeds from preferred shares	125
Finance expenses paid	(14,854)
Distribution to unitholders	(25,164)
Cash flows generated from financing activities	**1,215,685**
Net increase in cash and cash equivalents	**41,555**
Cash and cash equivalents at beginning of the year	—
Cash and cash equivalents at end of the year	**41,555**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the Unaudited Pro Forma Financial Information and notes thereto included elsewhere in this Prospectus. Statements contained in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" that are not historical facts may be forward-looking statements. Such statements are subject to certain risks, uncertainties and assumptions which could cause actual results to differ materially from those forecasted and projected. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by the Manager or any other person, nor that these results will be achieved or are likely to be achieved. (See "Forward-looking Statements" and "Risk Factors" for further details.) Recipients of this Prospectus and all prospective investors in the Units are cautioned not to place undue reliance on these forward-looking statements.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only, and is based on certain assumptions after making certain adjustments to show what:

*(i) the Unaudited Pro Forma Consolidated Statement of Financial Position as at 31 December 2018 would have been if the Offering, the acquisition of the Properties and the fee arrangements for the Manager and the Trustee as set out in "Overview - Certain Fees and Charges" (the "**Fee Arrangements**") had occurred on or were effective on 31 December 2018;*

(ii) the Unaudited Pro Forma Consolidated Statements of Comprehensive Income for the years ended 31 December 2016, 31 December 2017 and 31 December 2018 would have been if the Offering, the acquisition of the Properties and the Fee Arrangements had occurred on or were effective on 1 January 2016 under the same terms as set out in the Prospectus; and

(iii) the Unaudited Pro Forma Consolidated Statement of Cash Flows for the year ended 31 December 2018 would have been if the Offering, the acquisition of the Properties and the Fee Arrangements had occurred on or were effective on 1 January 2018.

The Unaudited Pro Forma Financial Information is not necessarily indicative of the results of the operations or the financial position that would have been attained had the acquisition of the Properties and the Fee Arrangements actually occurred in the relevant periods. The Unaudited Pro Forma Financial Information, because of its nature, may not give a true or accurate picture of Prime US REIT's actual profit or loss or financial position.

The following discussion and analysis of the financial condition and results of operations is based on and should be read in conjunction with the Unaudited Pro Forma Consolidated Financial Information and related notes thereto, which are included elsewhere in this Prospectus.

(See Appendix B, "Reporting Auditor's Report on the Unaudited Pro Forma Financial Information" and Appendix C, "Unaudited Pro Forma Financial Information", for further details.)

GENERAL BACKGROUND

Prime US REIT is a Singapore REIT established with the principal investment strategy of investing, directly or indirectly, in stabilised income-producing office assets, and real estate related assets, in the U.S..

Prime US REIT's key objectives are to provide Unitholders with regular and stable distributions and to achieve long-term growth in DPU and NAV per Unit, while maintaining an appropriate capital structure.

Prime US REIT's IPO Portfolio

The IPO Portfolio comprises 11 Properties located in the United States with an aggregate NLA of 3.4 million square feet.

(See "Business and Properties" section for further details of the IPO Portfolio.)

Acquisition of the Properties

Prior to Listing, Prime US REIT, through the Property Holding LLCs, has entered into a portfolio sale and purchase agreement in respect of the acquisition of the IPO Portfolio (the "Portfolio Sale and Purchase Agreement") at a purchase consideration of US$1,222 million.

(See "Certain Agreements Relating to Prime US REIT and the Properties - Portfolio Sale and Purchase Agreement" and "Use of Proceeds" for further details.)

FACTORS AFFECTING PRIME US REIT'S RESULTS OF OPERATIONS

General Economic Conditions and Demand and Supply Conditions of Office Property Sector

The IPO Portfolio is, and future Properties will be, located in the United States. As a result, Prime US REIT's Gross Revenue and results of operations depend upon the performance of the U.S. economy. An economic decline in the United States could adversely affect Prime US REIT's results of operations and future growth.

In addition, the U.S. economy is affected by global economic conditions. The global credit markets have experienced, and may continue to experience, volatility and liquidity disruptions, which have resulted in the consolidation, failure or near failure of a number of institutions in the banking and insurance industries.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME DETAILS

Gross Revenue

The Gross Revenue of Prime US REIT consists of (i) rental income, (ii) recoveries income and (iii) other operating income earned from the Properties.

The gross revenue is affected by a number of factors including (i) rental and occupancy rates for the Properties and (ii) general macro-economic and supply/demand trends affecting the real estate market, in particular, the office property sector in the United States of America.

The Gross Revenue of Prime US REIT for the relevant period consists of the following:

	Year ended 31 December		
	2016	**2017**	**2018**
	US$'000	**US$'000**	**US$'000**
Rental income	84,799	84,592	90,929
Recoveries income	14,886	16,735	18,532
Other operating income	7,916	8,135	8,993
Gross Revenue	**107,601**	**109,462**	**118,454**

Rental Income

Rental income principally comprises rental income received from rental of space. Rental rates are generally fixed with appropriate rental escalations for the tenure of the leases and are subject to review upon renewal or extension of the leases. Rental income also includes lease termination fees.

Prime US REIT recognises base rent, including rental abatements, lease incentives and contractual fixed increases attributable to operating leases, on a straight-line basis over the term of the related leases when collectability is reasonably assured, and records amounts expected to be received in later years as deferred rent receivable.

Recoveries income

Recoveries income includes property operating expenses due from tenants for common area maintenance, real estate taxes and other recoverable costs in the period the related expenses are incurred in accordance with the individual tenant leases.

Other operating income

Other operating income comprises car park income and other non-rental income. Car park income consists of contractual and transient car park income, which are recognised upon utilisation of parking facilities. In addition, car park income paid by tenants represents the right to park in pre-determined parking stalls on certain tenant leases. Other non-rental income includes other miscellaneous revenues such as fitness center income and tenant signage income.

Property Expenses

Property expenses arising from the Properties comprise the following:

	Year ended 31 December		
	2016	**2017**	**2018**
	US$'000	**US$'000**	**US$'000**
Utilities	6,395	6,463	6,527
Repairs & maintenance	4,913	5,220	5,507
Property management fees and expenses	4,758	4,879	5,221
Other operating expenses	9,324	10,000	11,410
Real estate taxes and insurance	13,583	14,885	15,440
Property expenses	**38,973**	**41,447**	**44,105**

Operating, Maintenance and Management

Operating, maintenance and management expenses consist of the following:

Utilities

Utilities expenses include expenses for electricity, water and gas.

Repair and maintenance expenses

Repair and maintenance expenses include general property repairs and maintenance, but exclude significant repairs and improvements that are capitalised and costs of tenancy works.

Property management fee and expenses

Each of the Property Holding LLCs has entered into a property management agreement with a third-party property manager. The property manager is entitled to a monthly property management fee equal to certain percentage of rent or gross revenues as defined in each property management agreement. Property management fees are assessed on a monthly basis and payable in arrears. The range in property management fees for the Properties is 0.85% - 3.0% of gross rental income. In addition to the property management fee, each of the Properties may incur other expenses including reimbursements to the Property Managers for costs such as salaries payable to the onsite property management team which is part of the Property Manager and is directly involved in the operations of the Properties. In any event, the Property Managers are an independent third party service providers.

Other operating expenses

Other operating expenses include janitorial expenses, security expenses, parking area expenses, grounds and garden expenses, other general and administrative expenses and amortisation of lease commissions.

Real estate taxes and insurance

Real estate taxes for the Properties are typically assessed on an annual basis and are payable on an annual or semi-annual basis based on the tax assessment policies of the local city/county in which each property is located.

Property insurance includes the premiums for loss or damage caused by fire, windstorm, terrorism, business interruption resulting from such loss or damage and public liability (including personal injury). Property insurance is assessed and paid annually.

Manager's Base Fee and Performance Fee

Pursuant to the Trust Deed, the Manager is entitled to a Base Fee of 10.0% per annum of the Annual Distributable Income (calculated before accounting for the Base Fee and the Performance Fee) and a Performance Fee of 25.0% of the difference in DPU in a financial year with the DPU in the preceding financial year (calculated before accounting for the Performance Fee but after accounting for the Base Fee in each financial year) multiplied by the weighted average number of Units in issue for such financial year.

The Performance Fee is payable if the DPU in any financial year exceeds the DPU in the preceding financial year, notwithstanding that the DPU in such financial year where the Performance Fee is payable may be less than the DPU in any preceding financial year.

No Performance Fee is payable for the years ended 31 December 2016 and 31 December 2017. The Performance Fee is assumed to be paid for FY2018, based on 25.0% of the difference in DPU in the respective year with the DPU in the preceding financial year (calculated before accounting for the performance fee but after accounting for the Manager's base fee in each of the financial years), multiplied by the weighted average number of Units in issue for FY2018.

The Manager has elected to receive 80% of the Base Fee in the form of Units for the pro forma years. Where the management fees are payable in Units, the Manager has assumed that such Units are issued at the Offering Price for the pro forma years.

(See "The Manager and Corporate Governance - The Manager of Prime US REIT - Fees Payable to the Manager" for further details.)

Trustee's Fee

Pursuant to Clause 15.4 of the Trust Deed, the Trustee's fee shall not exceed 0.1% per annum of the value of the Deposited Property, subject to a minimum of S$15,000 per month, excluding out-of-pocket expenses and GST. The Trustee's fee is accrued daily and will be paid monthly in arrears in accordance with the Trust Deed.

The actual fee payable will be determined between the Manager and the Trustee from time to time.

The Trustee will also be paid a one-time establishment fee as may be agreed between the Trustee and the Manager, subject to a maximum of S$60,000.

(See "The Formation and Structure of Prime US REIT - The Trustee - Trustee's fee" for further details.)

General and Administrative Expenses

General and administrative expenses consist of recurring expenses such as audit and legal fees, valuation fees, listing and related fees, as well as expenses relating to investor communication such as preparation and distribution of reports to Unitholders and Unitholders' meetings.

Finance Expenses

Finance expenses consist of interest expense incurred on borrowings and commitment fees on credit facilities, dividends on preferred shares and amortisation of debt-related transaction costs. Debt-related transaction costs are amortised over the term of the related debt on a straight-line basis.

Finance Income

Finance income consists of interest income on cash and cash equivalents as it is earned.

Fair Value Change in Investment Properties

Fair value change in investment properties consists of the current period's effects of straight-line rent, lease incentive amortisation, amortisation of lease commissions and acquisition expenses.

Tax Expense

Tax expense consists of deferred tax expenses. The deferred tax expense is based on capital allowances claimed on the investment properties, which represents the probable tax obligations in recovering the carrying amount of the properties through use.

(See "Taxation" for further details regarding taxes.)

ANALYSIS OF THE PERFORMANCE OF THE PROPERTIES

Gross Revenue Trends

The table below sets out the Gross Revenue derived from each of the Properties during the relevant period:

	Year ended 31 December		
	2016	2017	2018
	US$'000	US$'000	US$'000
Tower I at Emeryville	11,237	7,861	9,964
222 Main	19,345	19,374	19,554
Village Center Station I	8,887	9,182	9,627
Village Center Station II	—	—	2,226
101 South Hanley	9,841	10,455	11,396
Tower 909	8,780	9,723	9,631
Promenade I & II	7,961	8,373	8,347
CrossPoint	9,112	9,782	10,138
One Washingtonian Center	11,181	11,649	11,919
Reston Square	5,593	5,695	5,961
171 17th Street	15,664	17,368	19,691
Gross Revenue	**107,601**	**109,462**	**118,454**

The significant increase in Gross Revenue between FY2017 and FY2018 derived from Village Centre Station II is due to the pro forma acquisition date of the property. (See Appendix C, "Unaudited Pro Forma Consolidated Financial Information" for further details)

Occupancy Trends

The table below sets out the actual average occupancy rates of each of the Properties during the relevant year and is calculated as the average of the occupancy at the end of each month during the relevant year:

	Average for the year		
	2016	2017	2018
Tower I at Emeryville	87.7%	50.7%	62.9%
222 Main	99.5%	97.6%	98.9%
Village Center Station	100.0%	100.0%	98.1%
Village Center Station II	N/A	N/A	100.0%
101 South Hanley	89.8%	94.0%	99.4%
Tower 909	87.9%	89.7%	89.5%
Promenade I & II	98.4%	95.7%	99.2%
CrossPoint	97.7%	99.3%	100.0%
One Washingtonian Center	93.5%	97.5%	97.8%
Reston Square	93.6%	95.8%	99.2%
171 17th Street	88.6%	95.5%	99.2%
Average Occupancy	**93.2%**	**92.6%**	**95.7%**

The decrease in occupancy from FY2016 to FY2017 at Tower I at Emeryville was primarily due to the lease expiration of a tenant that occupied four storeys of the Property. As of 31 December 2018, Tower I at Emeryville had an occupancy of 81.1%.

Net Property Income

The table below sets out the Net Property Income of each of the Properties during the relevant year:

	Year ended 31 December		
	2016	**2017**	**2018**
	US$'000	**US$'000**	**US$'000**
Tower I at Emeryville	7,394	4,069	5,734
222 Main	14,448	14,214	14,367
Village Center Station	5,658	5,310	5,750
Village Center Station II	—	—	2,025
101 South Hanley	5,624	5,918	6,703
Tower 909	4,043	4,732	4,650
Promenade I & II	4,831	5,052	5,202
CrossPoint	6,331	6,835	6,666
One Washingtonian Center	6,939	7,149	7,164
Reston Square	3,663	3,630	3,830
171 17th Street	9,697	11,106	12,258
Net Property Income	**68,628**	**68,015**	**74,349**

COMPARISON OF PRIME US REIT'S PERFORMANCE

FY2017 Over FY2016

Gross Revenue

The Gross Revenue of the Properties increased by 1.7%, or US$1.9 million to US$109.5 million in FY2017. The increase is primarily due to an increase in weighted-average rental rates, offset by the decrease in weighted average occupancy from 93.2% to 92.6%.

Property Expenses

Property expenses increased by 6.3%, or US$2.5 million, to US$41.4 million in FY2017. Property expenses increased largely as a result of an increase in operating, maintenance and management expenses due to inflationary increases and an increase in real estate taxes due to increases in assessed values of the Properties.

Net Property Income

The Net Property Income of the Properties decreased by US$0.6 million to US$68.0 million in FY2017 as a result of the above factors.

Manager's Base Fee and Performance Fee

The Manager's Base Fee increased by US$0.3 million to US$4.5 million in FY2017. This is primarily due to the higher distributable income attained in FY2017. There was no Manager's Performance Fee incurred in FY2016 or FY2017.

Trustee's fee

The Trustee's fee remained relatively stable from FY2016 to FY2017 at US$0.2 million as the underlying value of the Deposited Property remained substantially unchanged.

General and administrative expenses

General and administrative expenses remained stable from FY2016 to FY2017 at US$3.5 million.

Finance expenses

Finance expenses increased by US$0.6 million to US$15.4 million in FY2017. The increase was mainly due to the drawdowns of the loan facility to finance capital expenditures, tenant improvement, and lease commission during FY2017. The weighted average interest rate of the borrowings was 3.45% for FY2016 and FY2017.

Fair value change in investment properties

The loss from fair value change in investment properties decreased by $7.9 million to a loss of US$4.6 million in FY2017. This is due to US$3.8 million transaction costs in FY2016 but none in FY2017 and decrease in straight line rent adjustment and amortisation of lease commissions in FY2017.

Tax expense

Tax expense increased by US$0.1 million to US$8.7 million in FY2017. Tax expense consists of deferred tax expenses.

Net income after tax and fair value change in investment properties

Net income after tax and fair value change in investment properties for the year increased by US$6.3 million to US$31.1 million in FY2017 primarily due to the above factors.

FY2018 Over FY2017

Gross Revenue

The Gross Revenue of the Properties increased by 8.2%, or US$9.0 million to US$118.5 million in FY2018. The increase is primarily due to an increase in weighted-average rental rates, occupancy and the pro forma acquisition of Village Center Station II on 11 October 2018.

Property Expenses

Property expenses increased by 6.4%, or US$2.7 million, to US$44.1 million in FY2018. Property expenses increased largely as a result of an increase in operating, maintenance and management expenses due to inflationary increases and an increase in real estate taxes due to increases in assessed values of the Properties.

Net Property Income

The Net Property Income of the Properties increased by US$6.3 million to US$74.3 million in FY2018 as a result of the above factors.

Manager's Base Fee and Performance Fee

The Manager's Base Fee and Performance Fee increased by US$1.7 million to US$6.2 million in FY2018. This is primarily due to an increase in the Manager's Base Fee and Performance Fee as a result of an increase in distributable income.

Trustee's fee

The Trustee's fee remained relatively stable from FY2017 to FY2018 at US$0.2 million as the underlying value of the Deposited Property remained substantially unchanged.

General and administrative expenses

General and administrative expenses increased by US$0.1 million to US$3.6 million in FY2018. This is primarily due to general inflationary increases.

Finance expenses

Finance expenses increased by US$1.6 million to US$17.0 million in FY2018. The increase was mainly due to the drawdowns of the loan facility to finance capital expenditures, tenant improvement, and lease commission during FY2018. The weighted average interest rate of the borrowings was 3.45% for FY2017 and 3.55% for FY2018.

Fair value change in investment properties

The loss from fair value change in investment properties decreased by US$0.7 million to a loss of US$3.8 million in FY2018.

Tax expense

Tax expense decreased by US$3.2 million to US$5.5 million in FY2018. Tax expense consists of deferred tax expenses. The decrease in deferred tax expenses is primarily due to the Tax Cuts and Jobs Act signed into law on 22 December 2017. The Tax Cuts and Jobs Act changed many aspects of U.S. corporate income taxation, including a reduction of the corporate income tax rate from 35% to 21%. With effect from 1 January 2018, Prime US REIT recorded deferred tax expense based on the 21% corporate tax rate.

Net income after tax and fair value change in investment properties

Net income after tax and fair value change in investment properties for the year increased by US$7.0 million to US$38.0 million in FY2018 primarily due to the above factors.

LIQUIDITY AND CAPITAL RESOURCES

The principal sources of funding for the original acquisition or development and any subsequent improvement works at the Properties have been from the Loan Facilities.

INDEBTEDNESS

As at the Listing Date, Prime US REIT is expected to have gross borrowings of US$452.2 million with an aggregate leverage of 37.0%. (See "Capitalisation and Indebtedness - Indebtedness" for further details.)

ACCOUNTING POLICIES

For a discussion of the principal accounting policies of Prime US REIT, please see Appendix C, "Unaudited Pro Forma Consolidated Financial Information".

PROFIT FORECAST AND PROFIT PROJECTION

Statements contained in the Profit Forecast and Profit Projection section that are not historical facts may be forward-looking statements. Such statements are based on the assumptions set forth in this section of the Prospectus and are subject to certain risks and uncertainties which could cause actual results to differ materially from those forecast and projected. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by any of Prime US REIT, the Sole Financial Adviser and Issue Manager, Joint Bookrunners and Underwriters, the Trustee, the Sponsor or any other person, or that these results will be achieved or are likely to be achieved. (See "Forward-looking Statements" and "Risk Factors" for further details.) Investors in the Units are cautioned not to place undue reliance on these forward-looking statements which are made only as of the date of this Prospectus.

None of Prime US REIT, the Sole Financial Adviser and Issue Manager, Joint Bookrunners and Underwriters, the Trustee, or the Sponsor guarantees the performance of Prime US REIT, the repayment of capital or the payment of any distributions, or any particular return on the Units. The forecast and projected yields stated in the following table are calculated based on:

- ***the Offering Price; and***
- ***the assumption that the Listing Date is 1 April 2019.***

Such yields will vary accordingly if the Listing Date is not 1 April 2019, or for investors who purchase Units in the secondary market at a market price that differs from the Offering Price.

The following table shows Prime US REIT's forecast and projected Consolidated Statements of Comprehensive Income and Distribution for Forecast Period 2019 and Projection Year 2020. The financial year end of Prime US REIT is 31 December. The Profit Forecast and Profit Projection may be different to the extent that the actual date of issuance of Units is other than 1 April 2019, being the assumed date of the issuance of Units for the Offering. The Profit Forecast and Profit Projection are based on the assumptions set out below and have been examined by the Reporting Auditor, being Ernst & Young LLP, and should be read together with the report "Reporting Auditor's Report on the Profit Forecast and Profit Projection" set out in Appendix A, as well as the assumptions and the sensitivity analysis set out in this section of the Prospectus.

Forecast and Projected Consolidated Statements of Comprehensive Income and Distribution

The forecast and projected Consolidated Statements of Comprehensive Income and Distribution are as follows:

	Forecast Period 2019 (Nine months from 1 April 2019 to 31 December 2019)	Projection Year 2020 (Full year from 1 January 2020 to 31 December 2020)
	(US$'000)	**(US$'000)**
Gross Revenue	98,606	134,724
Property expenses	(33,786)	(46,546)
Net Property Income	**64,820**	**88,178**
Manager's Base Fee	(4,607)	(6,364)
Trustee's fees	(183)	(244)
General and administrative expenses	(2,625)	(3,500)
Finance expenses(1)	(11,890)	(16,424)
Net Income before tax and fair value change in investment properties	**45,514**	**61,645**
Fair value change in investment properties(2)	(8,999)	(5,189)
Net Income before tax	**36,515**	**56,456**
Tax expense(3)	(4,331)	(5,775)
Net Income after tax and fair value change in investment properties	**32,184**	**50,681**
Distribution adjustments(4)	12,969	11,688
Income available for distribution to Unitholders	**45,153**	**62,369**
Number of Units issued at the end of the year(5) ('000)	926,617	932,368
Distribution per Unit		
- US$ cents(6)	4.87	6.70
Distribution Payout Ratio	100%	100%
Offering Price (US$)	0.88	0.88
Distribution Yield	**7.4%**(7)	**7.6%**

Notes:

(1) Finance expenses comprise interest expense on borrowings and commitment fees on credit facilities, dividends on preferred shares and amortisation of debt-related transaction costs.

(2) See "Profit Forecast and Profit Projection – Assumptions – Fair value change in investment properties" for further details.

(3) Relates to deferred tax expenses only.

(4) See "Profit Forecast and Profit Projection – Assumptions – Distribution Adjustments" for further details.

(5) Excludes units issued to the Manager for its fees for the fourth quarter of each year as these units will be issued after the books closure date for the dividend for the second half of each year.

(6) Calculated by adding the DPU payable for the first half of the year (from 1 April 2019 to 30 June 2019 for the Forecast Period 2019) and the DPU payable for the second half of the year. The dividend for the first half of the year is not paid on the units issued to the Manager for its fees for the quarter ended 30 June as these units will be issued after the books closure date for the dividend for that period. The dividend for the second half of the year is not paid on the units issued to the Manager for its fees for the quarter ended 31 December as these units will be issued after the books closure date for the dividend for that period.

(7) Calculated by annualising the DPU for the Forecast Period 2019.

ASSUMPTIONS

The Manager has prepared the Profit Forecast and Profit Projection on the following assumptions. The Manager considers these assumptions to be appropriate and reasonable as at the date of this Prospectus. The Manager has also taken into consideration the implications of the various tax laws applicable to Prime US REIT in these assumptions. (See "Profit Forecast and Profit Projection — Assumptions — Tax Expense" and "Profit Forecast and Profit Projection — Sensitivity Analysis — Impact of U.S. 2017 Tax Legislation" for further details.) However, investors should consider these assumptions as well as the Profit Forecast and Profit Projection and make their own assessment of the future performance of Prime US REIT.

Gross Revenue

The Gross Revenue of Prime US REIT consists of (i) rental income; (ii) recoveries income; and (iii) other operating income earned from the Properties.

Property	**Forecast Period 2019**		**Projection Year 2020**	
	(US$'000)		**(US$'000)**	
Rental Income	78,381	79.5%	106,035	78.7%
Recoveries Income	14,852	15.1%	21,126	15.7%
Other operating income	5,373	5.4%	7,563	5.6%
Gross Revenue	**98,606**	**100.0%**	**134,724**	**100.0%**

The forecast and projected contributions of the Properties to Gross Revenue are as follows:

Property	**Forecast Period 2019**		**Projection Year 2020**	
	(US$'000)		**(US$'000)**	
Tower I at Emeryville	9,695	9.8%	13,607	10.1%
222 Main	14,788	15.0%	20,498	15.2%
Village Center Station I	7,042	7.1%	9,689	7.2%
Village Center Station II	7,515	7.6%	10,059	7.5%
101 South Hanley	9,007	9.1%	11,881	8.8%
Tower 909	7,321	7.4%	10,714	8.0%
Promenade I & II	6,455	6.5%	8,443	6.3%
CrossPoint	7,732	7.8%	10,558	7.8%
One Washingtonian Center	9,002	9.1%	12,750	9.5%
Reston Square	4,761	4.8%	6,342	4.7%
171 17th Street	15,288	15.5%	20,182	15.0%
IPO Portfolio	**98,606**	**100.0%**	**134,724**	**100.0%**

A summary of the assumptions which have been used in calculating Gross Revenue are set out in the sections below.

Rental and recoveries income

The forecast and projected Cash Rental Income attributable to the leases for the Properties are estimated as follows:

Property	Forecast Period 2019 Rental and recoveries income	Forecast Period 2019 Non-cash adjustments[1]	Forecast Period 2019 Cash Rental Income	Projection Year 2020 Rental and recoveries income	Projection Year 2020 Non-cash adjustments[1]	Projection Year 2020 Cash Rental Income
	(US$'000)	(US$'000)	(US$'000)	(US$'000)	(US$'000)	(US$'000)
Tower I at Emeryville	9,065	(949)	8,116	12,721	(754)	11,967
222 Main	13,606	(827)	12,779	18,874	(894)	17,980
Village Center Station I	6,576	(295)	6,281	9,058	(478)	8,580
Village Center Station II	6,894	(508)	6,387	9,217	(549)	8,668
101 South Hanley	8,154	(223)	7,931	10,715	(410)	10,305
Tower 909	7,188	(376)	6,812	10,536	(598)	9,938
Promenade I & II	6,214	(109)	6,105	8,105	(83)	8,023
CrossPoint	7,732	(271)	7,461	10,558	(201)	10,356
One Washingtonian Center	8,884	(580)	8,304	12,354	(547)	11,806
Reston Square	4,759	(239)	4,521	6,342	(381)	5,961
171 17th Street	14,162	(370)	13,792	18,680	(776)	17,904
IPO Portfolio	**93,233**	**(4,746)**	**88,486**	**127,161**	**(5,673)**	**121,488**

Note:

(1) Non-cash adjustments consist of straight-line rent.

The Manager has used the following assumptions to forecast and project the rental income:

- 97.6% and 91.6% of Cash Rental Income from the Forecast Period 2019 and Projection Year 2020, respectively, are derived from existing leases[1].
- The remaining Cash Rental Income is based on renewals of existing leases and new tenant leasing assumptions that take into account historical building occupancies, current market rents and vacancy allowances.
- A vacancy allowance is provided to take into account the time generally required to lease a vacant space. The vacancy allowance for all new leases expected in the Forecast Period 2019 and Projection Year 2020 is assessed on a lease-by-lease basis, depending on the size and location of the individual premises. The vacancy allowance has generally been assumed to be between nine to twelve months.

Rent Rate

The Manager has used the following process to forecast and project the rental rates:

- 98.3% of existing leases by Cash Rental Income have built-in rental increases. The rental escalations generally range from 1.0% to 3.0%.
- The Manager has assessed the potential market rents for each category of lettable area at each of the Properties as at 1 January 2019. The market rents are the rents which the

[1] Existing leases of the IPO Portfolio as at 1 January 2019.

Manager believes could be achieved if a prospective lease was negotiated as at 1 January 2019, and is estimated with reference to rental income payable pursuant to comparable leases for tenancies that have recently been negotiated, the effect of competing commercial properties, assumed tenant retention rates on lease expiry, likely market conditions and tenant demand levels.

- For leases that are scheduled to expire in the Forecast Period 2019, the Manager has assumed that the rental rate for a new lease (or lease renewal) which commences, is either the estimated market rent for the corresponding category of lettable area (based on the Manager's estimate of market rents at the expiry date) or the actual rent (if the lease agreement or letter of offer has been entered into).

Renewals and occupancy rate

As at 1 January 2019, 6.3% (213,808 sq ft) and 6.5% (219,318 sq ft) of the leased total NLA of the Properties is due for renewal in the Forecast Period 2019 and Projection Year 2020, respectively. It has been assumed that 56.6% of the expiring leases' sq ft will be renewed during the Forecast Period 2019 and Projection Year 2020. The Manager has based the renewal assumptions for existing leases that are expiring during the Forecast Period 2019 or Projection Year 2020 on a lease-by-lease basis and considers the length of time the tenant has been renting and renewal history, and discussions with tenants providing positive indications to renew. In addition, the Manager has taken into account tenants who have expressed an intention not to renew their leases. As for leases that are not renewed, a vacancy allowance for all new leases expected in the Forecast Period 2019 and Projection Year 2020 is assessed on a lease-by-lease basis.

	Average for	
Forecast and projected portfolio occupancy rates(1)	**Forecast Period 2019**	**Forecast Year 2020**
Tower I at Emeryville	94.6%	100.0%
222 Main	97.4%	98.2%
Village Center Station I	98.2%	96.3%
Village Center Station II	100.0%	100.0%
101 South Hanley	98.3%	96.3%
Tower 909	87.7%	91.4%
Promenade I & II	99.6%	97.2%
CrossPoint	100.0%	99.8%
One Washingtonian Center	96.0%	98.1%
Reston Square	99.7%	100.0%
171 17th Street	98.2%	95.3%
IPO Portfolio	**97.0%**	**97.5%**

Note:

(1) In certain instances, the Manager has included a general vacancy allowance of up to 5.0% of Gross Revenue in the profit forecast and projections.

Other operating income

Other operating income comprises income attributable to the operation of the Properties, including items such as car park income and other miscellaneous revenues such as fitness centre income, conference room income, and tenant signage income. The assessment of which is based on existing agreements, historical income collections and the Manager's assessment of the Properties.

Property expenses

	Forecast Period 2019	Projection Year 2020
	(US$'000)	**(US$'000)**
Real estate taxes	(12,678)	(17,684)
Insurance	(663)	(906)
Repair and maintenance expenses	(4,268)	(5,756)
Utilities	(4,876)	(6,771)
Property management fees and reimbursements	(4,042)	(5,535)
Other property expenses	(7,259)	(9,893)
Property expenses	**(33,786)**	**(46,546)**

A summary of the assumptions which have been used in calculating the property expenses is set out below:

Real estate taxes

Real estate taxes for the IPO Portfolio are assessed on an annual basis and are payable on a semi-annual or annual basis based on the municipality in which the property is located. In most jurisdictions, properties are periodically re-assessed to determine value and the taxes due are computed as the product of the assessed value and the current property tax rate. Real estate taxes range from 1% to 3% of the assessed value as determined by the respective tax jurisdiction.

Insurance

The IPO Portfolio has insurance coverage that the Manager believes are consistent with industry practice in the United States. Property insurance includes the premiums for loss or damage caused by fire, windstorm, terrorism, business interruption resulting from such loss or damage and public liability (including personal injury). Property insurance is assessed and paid annually. Amount and scope of insurance coverage is being estimated based on the current insurance policies in place for the IPO Portfolio.

Repair and maintenance expenses

Repair and maintenance expenses are estimated based on historical expenses and adjusted for estimated inflation.

Utilities

Utilities expenses are estimated based on historical expenses, expected utilisation and expected rate increments.

Property management fees and reimbursements

Each Property Manager is entitled to a monthly property management fee ranging from 0.85% to 3.0% of gross revenue income, as more specifically defined in each Property Management Agreement. Property management fees are assessed on a monthly basis and payable in arrears. Other expenses include reimbursement to the Property Manager for costs such as the salary payable to the onsite property management team are estimated based on historical expenses and adjusted for estimated inflation.

(See "Overview – Certain Fees and Charges" for further details of the fees and charges payable by Prime US REIT in connection with the establishment and ongoing management and operation of Prime US REIT).

Other property expenses

Other property expenses include amortisation of lease commissions and other general and administrative expenses in relation to the Properties. The Manager has estimated these expenses based on historical trends.

Net Property Income

The forecast and projected contributions of the Properties to Net Property Income are as follows:

Property	Forecast Period 2019		Projection Year 2020	
	(US$'000)		(US$'000)	
Tower I at Emeryville	6,759	10.4%	9,341	10.6%
222 Main	10,435	16.1%	14,797	16.8%
Village Center Station I	4,323	6.7%	5,805	6.6%
Village Center Station II	6,824	10.5%	9,116	10.3%
101 South Hanley	5,205	8.0%	6,633	7.5%
Tower 909	3,732	5.8%	5,873	6.7%
Promenade I & II	4,001	6.2%	5,131	5.8%
CrossPoint	5,176	8.0%	6,897	7.8%
One Washingtonian Center	5,543	8.6%	7,960	9.0%
Reston Square	3,145	4.9%	4,167	4.7%
171 17th Street	9,676	14.9%	12,460	14.1%
IPO Portfolio	**64,820**	**100.0%**	**88,178**	**100.0%**

The forecast and projected cash net property income from the Properties are estimated to be as follows:

	Forecast period 2019			Projection Year 2020		
	Net Property Income	Non-cash adjustments[(1)]	Cash net property income	Net Property Income	Non-cash adjustments[(1)]	Cash net property income
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Tower I at Emeryville	6,759	(931)	5,828	9,341	(690)	8,650
222 Main	10,435	(822)	9,613	14,797	(813)	13,984
Village Center Station I	4,323	(262)	4,060	5,805	(349)	5,456
Village Center Station II	6,824	(508)	6,317	9,116	(549)	8,566
101 South Hanley	5,205	(222)	4,983	6,633	(380)	6,253
Tower 909	3,732	(356)	3,376	5,873	(486)	5,387
Promenade I & II	4,001	(109)	3,893	5,131	(83)	5,048
Crosspoint	5,176	(271)	4,905	6,897	(201)	6,697
One Washingtonian Center	5,543	(575)	4,968	7,960	(508)	7,451
Reston Square	3,145	(239)	2,906	4,167	(381)	3,786
171 17th Street	9,676	(370)	9,306	12,460	(749)	11,710
IPO Portfolio	**64,820**	**(4,663)**	**60,156**	**88,178**	**(5,189)**	**82,989**

Note:

(1) Non-cash adjustments consists of straight-line rent and lease commission amortisation.

Manager's Base Fee and Performance Fee

Pursuant to the Trust Deed, the Manager is entitled to a Base Fee of 10% per annum of the Annual Distributable Income (calculated before accounting for the Base Fee and the Performance Fee) and a Performance Fee of 25% per annum of the difference in DPU in a financial year with the DPU in the preceding financial year (calculated before accounting for the Performance Fee but after accounting for the Base Fee in each financial year) multiplied by the weighted average number of Units in issue for such financial year.

The Performance Fee is payable if the DPU in any financial year exceeds the DPU in the preceding financial year, notwithstanding that the DPU in such financial year where the Performance Fee is payable may be less than the DPU in any preceding financial year.

There should be no Performance Fee payable to the Forecast Period 2019. The Performance Fee for Projection Year 2020 shall be the difference in actual DPU in such financial year with the projected DPU, as set out in the Profit Forecast and Profit Projection. The Manager assumed projected DPU will not be exceeded, and as such, no Performance Fee is forecasted to be payable in Projection Year 2020.

The Manager has elected to receive 80% of the Base Fee in the form of Units for the period from the Listing Date to the end of Forecast Period 2019 and for Projection Year 2020. Where the management fees are payable in Units, the Manager has assumed that such Units are issued at the Offering Price for Forecast Period 2019 and Projection Year 2020.

(See "The Manager and Corporate Governance – The Manager of Prime US REIT – Fees Payable to the Manager" for further details.)

Trustee's Fee

Pursuant to Clause 15.4 of the Trust Deed, the Trustee's fee shall not exceed 0.1% per annum of value of the Deposited Property, subject to a minimum amount of S$15,000 per month, excluding out-of-pocket expenses and GST. The Trustee's fee is accrued daily and will be paid monthly in arrears in accordance with the Trust Deed.

The actual fee payable will be determined between the Manager and the Trustee from time to time.

The Trustee will also be paid a one-time establishment fee as may be agreed between the Trustee and the Manager, subject to a maximum of S$60,000.

(See "The Formation and Structure of Prime US REIT – The Trustee" for further details.)

Finance Expenses

Finance expenses consist of interest expense on borrowings and commitment fees on credit facilities, dividends on preferred shares and amortisation of debt-related transaction costs.

Prime US REIT has put in place the Loan Facilities. (See "Capitalisation and Indebtedness – Indebtedness" for further details.)

The amount drawn down on the Listing Date will be US$452.2 million. The Manager has assumed the interest rate for the Forecast Period 2019 and Projection Year 2020 on the Loan Facilities to be 3.45% per annum. In addition, an upfront debt establishment fee incurred in relation to the Loan Facilities is assumed to be amortised over the term of the Facilities.

(See “Strategy – Key Strategies – Capital Management Strategy” and “Capitalisation and Indebtedness – Indebtedness” for further details.)

General and Administrative Expenses

General and administrative expenses consist of recurring expenses such as audit fees, tax advisory fees, legal fees, valuation fees, listing and related fees, as well as expenses relating to investor communication such as preparation and distribution of reports to Unitholders meetings.

Fair Value Change in Investment Properties

Prime US REIT’s portfolio of 11 Properties has been acquired at US$1,222 million as at Listing Date. For the purposes of the Profit Forecast and Profit Projection, capital expenditures, tenancy improvements and lease commission are capitalised resulting in no fair value gains or losses in Investment Properties. The fair value loss in Investment Properties consists of the following:

	Forecast Period 2019	Projection Year 2020
	(US$’000)	(US$’000)
Transaction costs on acquisition of the Properties	(4,335)	-
Straight line rent adjustments	(4,746)	(5,673)
Amortisation of lease commissions	83	484
Fair Value Change in Investment Properties	**(8,999)**	**(5,189)**

Distribution Adjustments

Distribution adjustments consist of the following:

	Forecast Period 2019	Projection Year 2020
	(US$’000)	(US$’000)
Straight line rent adjustments	(4,746)	(5,673)
Manager’s fee in units	3,686	5,091
Trustee’s fee	183	244
Fair value change in investment properties	8,999	5,189
Deferred tax expense	4,331	5,775
Amortisation of lease commissions	83	484
Amortisation of debt upfront fee	433	578
Distribution Adjustments	**12,969**	**11,688**

Tax Expense

Tax expense consists of deferred tax expenses. For the Forecast Period 2019 and the Projection Year 2020, the Manager has assumed no ordinary dividend paid by Parent U.S. REIT to Singapore Sub 1 and therefore, no withholding tax. Furthermore, the Manager has assumed, under current law which is subject to change (including on a retroactive basis), no withholding tax to be paid on interest paid by Parent U.S. REIT to Singapore Sub 2 under the “portfolio interest” exemption. This assumes Unitholders will comply with certain documentation requirements in order to be exempted from US withholding tax and that Prime

US REIT as a withholding foreign partnership for US federal income tax purposes will comply with the requirement to withhold tax from distributions to those who fail to provide or to update relevant information as necessary. For the avoidance of doubt, failure by Unitholders to comply with documentation requirements will not affect the tax expenses of Prime US REIT. Further, the Manager has been advised that final regulations and guidance, the substance of which is unknown as of the date hereof, may modify the Proposed Regulations and may require significant restructuring which may result in material increased tax expense. (See "Taxation", "Risk Factors – Risks relating to the structure of Prime US REIT – Changes in taxation legislation, administrative guidance or regulations, and/or any disagreement as to the interpretation thereof, may adversely affect Prime US REIT, its subsidiaries, the Unitholders and/or the Manager (and its owners)", "Risk Factors – Risks relating to the structure of Prime US REIT – Recent U.S. tax legislation may adversely affect the deductibility of interest payments by Parent U.S. REIT to the Singapore Lending Subs" for further details regarding taxes.)

The Manager has also assumed that the interest rate on the loan from the Singapore Lending Sub(s) is on an arm's length basis under applicable US transfer pricing regulations, that the deductibility of interest is not otherwise limited under U.S. tax law in effect as of the date hereof, and that the loan will be respected as bona fide debt. As such, subject to impending U.S. tax guidance as discussed above, the interest payments are expected to be fully deductible for U.S. tax purpose.

The deferred tax expense is based on capital allowances claimed on the investment properties, which represents the probable tax obligations in recovering the carrying amount of the properties through use.

Capital Expenditures, Tenant Improvement Allowances and Lease Commissions

Capital expenditures, tenant improvement allowances and lease commissions incurred are capitalised as part of the book value of the Properties. The fair value of the Properties are expected to increase by a corresponding amount.

	Forecast Period 2019	**Projection Year 2020**
	(US$'000)	**(US$'000)**
Capital Expenditures	3,923	2,334
Tenant Improvement Allowances	5,846	5,178
Lease Commissions	2,255	2,261
Total	**12,024**	**9,773**

Capital expenditures for building improvement works have been projected based on the Manager's assessment and on the property manager's engineering team reports obtained by the Manager. These capital expenditures will include upgrades to landscaping, multi-tenant lobbies, corridors, elevator interiors, ventilation, fitness centre, restrooms and other asset enhancements.

The Manager intends to drawdown additional debt available from the Revolving Credit Facility (as defined herein) to finance the capital expenditures, tenant improvement allowances and lease commission incurred by the Properties during the Forecast Period 2019 and Projection Year 2020. The amounts drawn down to finance the capital expenditures, tenant improvement allowances and lease commission for the Forecast Period 2019 and Projection Year 2020 are US$12.0 million and US$9.8 million, respectively. As these costs are financed from the Revolving Credit Facility, no impact on the Consolidated Statement of Comprehensive Income and Distribution are expected other than the interest incurred on borrowings. (See "Capitalisation and Indebtedness – Indebtedness" for further details.)

The following table sets out the forecast and projected capital expenditures, tenant improvement allowances and lease commission by property.

Property	Forecast Period 2019		Projection Year 2020	
	(US$'000)		(US$'000)	
Tower I at Emeryville	2,799	23.3%	828	8.5%
222 Main	1,287	10.7%	1,438	14.7%
Village Center Station I	1,593	13.2%	1,360	13.9%
Village Center Station II	-	-	16	0.2%
101 South Hanley	875	7.3%	1,448	14.8%
Tower 909	1,405	11.7%	2,176	22.3%
Promenade I & II	-	-	289	3.0%
CrossPoint	67	0.6%	267	2.7%
One Washingtonian Center	1,321	11.0%	1,442	14.8%
Reston Square	536	4.5%	28	0.3%
171 17th Street	2,142	17.8%	479	4.9%
IPO Portfolio	**12,024**	**100.0%**	**9,773**	**100.0%**

Accounting Standards

Prime US REIT has adopted the International Financial Reporting Standards.

The Manager assumes that the change in applicable accounting standards or other financial reporting requirements will not have a material effect on the Profit Forecast and Profit Projection. Significant accounting policies adopted by the Manager in the preparation of the Profit Forecast and Profit Projection are set out in "Appendix C – Unaudited Pro Forma Consolidated Financial Information".

Other Assumptions

The Manager has made the following additional assumptions in preparing the Profit Forecast and Profit Projection:

- the initial property portfolio of Prime US REIT remains unchanged for Forecast Period 2019 and Projection Year 2020;
- no further third-party capital will be raised during Forecast Period 2019 and Projection Year 2020;
- there will be no change in the applicable tax legislation, other applicable legislation, or regulatory or judicial interpretation of the same for Forecast Period 2019 and Projection Year 2020. (See "Risk Factors – Risks relating to an investment in the Units" for further details.);
- all leases and licences as at 1 January 2019 are enforceable and will be performed in accordance with their terms during Forecast Period 2019 and Projection Year 2020;
- there will be no pre-termination of any committed leases (unless notice has already been given);
- 100.0% of Prime US REIT's Distributable Income for Forecast Period 2019 and Projection Year 2020 will be distributed; and
- there will be no change in the fair value of the Properties except for capital expenditures, tenancy improvements and lease commissions described above.

SENSITIVITY ANALYSIS

The forecast and projected distributions included in this Prospectus are based on a number of assumptions that have been outlined above. The forecast and projected distributions are also subject to a number of risks as outlined in the section "Risk Factors".

Investors should be aware that future events cannot be predicted with any certainty and deviations from the figures forecast or projected in this Prospectus are to be expected. To assist investors in assessing the impact of these assumptions on the Profit Forecast and Profit Projection, a series of tables demonstrating the sensitivity of the distribution yield to changes in the principal assumptions are set out below.

The sensitivity analyses are intended only as a guide. Variations in actual performance could exceed the ranges shown. Movement in other variables may offset or compound the effect of a change in any variable beyond the extent shown.

Gross Revenue

Changes in the Gross Revenue will impact the Net Property Income of Prime US REIT and consequently, the DPU. The assumptions for Gross Revenue have been set out earlier in this section. The effect of variations in the Gross Revenue on the distribution yield is set out below.

	Distribution yield pursuant to changes in Gross Revenue	
	Forecast Period 2019	**Projection Year 2020**
5.0% above base case	8.2%	8.4%
Base case	**7.4%**	**7.6%**
5.0% below base case	6.6%	6.8%

Property Expenses

Changes in the property expenses, of which a portion is recoverable, will impact the Net Property Income of Prime US REIT and consequently, the DPU. The assumptions for property expenses have been set out earlier in this section. The effect of variations in the property expenses on the distribution yield is set out below.

	Distribution yield pursuant to changes in Property expenses	
	Forecast Period 2019	**Projection Year 2020**
5.0% above base case	7.1%	7.3%
Base case	**7.4%**	**7.6%**
5.0% below base case	7.7%	7.9%

Fees of the Manager Paid in Units

The Manager has assumed that 80% of the Management Fees will be paid in Units for Forecast Period 2019 and for Projection Year 2020. The Manager has assumed that such Units are issued at the Offering Price. The effect of variations in % of the Management Fees paid in Units on the distribution yield for Unitholders is set out below.

	Distribution yield pursuant to the level of the Management Fees paid in Units	
	Forecast Period 2019	**Projection Year 2020**
Base case (80% of Management Fees paid in Units for Forecast Period 2019 and for Projection Year 2020)	**7.4%**	**7.6%**
50.0% of Management Fees paid in Units for Forecast Period 2019 and Projection Year 2020	7.2%	7.4%
0.0% of Management Fees paid in Units for Forecast Period 2019 and Projection Year 2020	6.8%	7.0%

Foreign Exchange Rate

Prime US REIT receives all of its income from the Properties in U.S. dollars. Distributions will be declared in U.S. dollars. Each Unitholder will receive his distribution in Singapore dollars equivalent of the U.S. dollar distribution declared, unless he elects to receive the relevant distribution in U.S. dollars by submitting a "Distribution Election Notice" by the relevant cut-off date.

The effect of variations in the foreign exchange rate on the distribution yield for Unitholders who invest in Singapore Dollars at the IPO and receive their distribution in Singapore Dollars is set out below.

	Distribution yield pursuant to changes in foreign exchange rate(1)	
	Forecast Period 2019	**Projection Year 2020**
5.0% depreciation of SGD	7.8%	8.0%
Base case	**7.4%**	**7.6%**
5.0% appreciation of SGD	7.0%	7.2%

Note:

(1) The appreciation and depreciation is calculated based on the exchange rate of US$1.00 to S$1.3636 used to determine the Offering Price in Singapore Dollars.

Interest Rate

Changes in interest expense on borrowings will affect the income available for distribution and, consequently, distribution yield. The assumptions for interest expense on borrowings have been set out earlier in this section.

Out of US$452.2 million expected to be drawn from the Loan Facilities as of the Listing Date, US$385.0 million relates to the Term Loan Facilities and 222 Main Facility, which will be on a hedged or fixed interest rate basis.

The effect of variations in the interest rate on the remaining US$67.2 million relating to the Revolving Credit Facility on the distribution yield for Unitholders is set out below.

	Distribution yield pursuant to changes in interest rate	
	Forecast Period 2019	**Projection Year 2020**
5.0% above base case	7.4%	7.6%
Base case	**7.4%**	**7.6%**
5.0% below base case	7.4%	7.6%

Impact of U.S. 2017 Tax Legislation

The Independent U.S. Tax Adviser has advised that with respect to the recent and significant U.S. tax legislation effective, in pertinent part, as of 1 January 2018, new Section 267A and the Proposed Regulations disallow a deduction for certain interest paid or accrued pursuant to a hybrid transaction. By their terms, the Proposed Regulations set forth "the exclusive circumstances in which a deduction is disallowed under Section 267A." Prime US REIT's structure is not described in the Proposed Regulations. In addition, the Proposed Regulations generally provide that a deduction will be denied under Section 267A only to the extent that a deduction/no income tax result would be achieved as a result of hybridity. As such, under the Proposed Regulations, the Manager, based on the advice of the Independent U.S. Tax Adviser, believes that Parent U.S. REIT should not be denied a deduction for interest paid to Singapore Sub 2, but there can be no assurance that the Manager's position will be accepted by the IRS, or by a U.S. Court, if it were challenged.

However, the Proposed Regulations are still in proposed form. The United States Department of the Treasury has stated that it expects final regulations under Section 267A to be promulgated in 2019. Such final regulations (which may include guidance on both Section 267A and Section 163(j)) may operate to deny the Parent U.S. REIT's interest deductions on the intercompany loan. This would increase Parent U.S. REIT's taxable income, which would increase the ordinary dividend amounts to Singapore Sub 1. Such ordinary dividends attract a 30.0% U.S. federal income tax withholding rate. This would significantly impair the overall economics of Prime US REIT's structure.

The effect of potential tax legislation on the distribution yield for Unitholders is set out below.

	Distribution yield pursuant to changes in tax legislation	
	Forecast Period 2019	**Projection Year 2020**
Assumes deduction for interest paid from Parent U.S. REIT to Singapore Sub 2	**7.4%**	**7.6%**
Assumes no deduction for interest paid from Parent U.S. REIT to Singapore Sub 2	5.9%	6.1%

STRATEGY

INVESTMENT STRATEGY

Prime US REIT is a Singapore REIT established with the principal investment strategy of investing, directly or indirectly, in stabilised income-producing office assets, and real estate related assets, in the U.S..

In accordance with the requirements of the Listing Manual, the Manager's investment strategy for Prime US REIT will be adhered to for at least three years following the Listing Date. The Manager's investment strategy for Prime US REIT may only be changed within three years from the Listing Date if an Extraordinary Resolution is passed at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

KEY OBJECTIVES

Prime US REIT's key objectives are to provide Unitholders with regular and stable distributions and to achieve long-term growth in DPU and NAV, while maintaining an appropriate capital structure*.*

KEY STRATEGIES

The Manager will seek to achieve Prime US REIT's key objectives through the following strategies:

Proactive asset management and asset enhancement strategy: The Manager will actively manage Prime US REIT's property portfolio with the objective of achieving growth in Gross Revenue and Net Property Income and maintaining optimal occupancy levels. The Manager will also look to drive organic growth, encourage strong relationships with the tenants of the Properties and facilitate property enhancement opportunities.

Investments and acquisition growth strategy: The Manager will seek to achieve portfolio growth through the acquisition of quality income-producing properties used mainly for office purposes that fit within Prime US REIT's investment strategy to enhance the return to Unitholders and to pursue opportunities for future income and capital growth.

Capital management strategy: The Manager will endeavour to employ an appropriate mix of debt and equity in financing acquisitions and adopt financing policies to optimise risk-adjusted returns to Unitholders.

Proactive Asset Management and Asset Enhancement Strategy

The Manager's strategy for organic growth is to actively manage the Properties and grow strong relationships with tenants by providing value-added property-related services. Through such active asset management, the Manager seeks to maintain high tenant retention and occupancy levels and achieve stable rental growth, as well as minimise the costs associated with marketing and leasing space to new tenants. Prime US REIT will benefit from KBS RA's experience in asset management and asset enhancement.

Further, the Manager will seek to maximise returns from Prime US REIT's property portfolio through some of, but not limited to, the following measures:

Maintaining above-market occupancy rates

The Manager will seek to maintain above-market occupancy rates for the initial Properties and future properties by working with the Leasing Agent and Property Manager to manage lease renewals effectively in order to minimise vacant periods due to either lease expiration or premature termination and to:

- work towards optimal rental benchmarks established for each property;

- proactively engage in early renewal negotiations with tenants whose leases are about to expire;

- endeavour to line up new tenants in preparation for vacant space;

- acquire future properties with leases that are about to expire with passing rents that are below market levels and for which there is potential upside;

- acquire future properties with below market occupancy rates where the Manager can increase occupancy to market or higher occupancy levels;

- increase the overall marketability and profile of Prime US REIT's portfolio of properties to increase the prospective tenant base;

- actively market current and impending vacancies to minimise vacant periods;

- actively monitor rental arrears to minimise defaults by tenants and other aspects of tenant performance;

- incorporate contractual periodic rental step-up provisions in leases to provide an additional source of organic growth;

- monitor and assess spaces which are sub-optimal or remain vacant for long periods and to redevelop or conduct asset enhancement works (for example, pre-building vacant suites that have old and undesirable tenant finishes) to suit prospective tenants' needs and thereby improving the marketability of such spaces; and

- explore and satisfy the expansion needs of existing tenants.

The Manager will work with the Property Managers to initiate tenant retention programme initiatives to further strengthen tenant relationships. The Manager believes that such efforts will contribute to maintaining high tenant retention levels, minimising vacancy levels and reducing gaps in rental income, as well as the associated costs of securing new tenants.

Delivering superior services to tenants

The Manager intends to work with the Property Managers to ensure it continues to provide superior services to tenants through:

- providing high quality asset management services to maintain high retention rates;

- facilitating relocation or expansion of tenants according to their operational requirements;

- rapidly responding to tenants' feedback and enquiries; and

- providing additional value-added services for tenants.

Implementing asset enhancement initiatives

The Manager will work closely with the Property Managers to improve the rental income and value of the portfolio by undertaking asset enhancement initiatives. To the extent possible and permitted by law and regulations, the Manager may:

- seek to rationalise the use of space, create more leasable area, identify sub-optimal and ancillary areas that can be converted for higher returns and improve building efficiency; and

- undertake retrofitting and refurbishments of Prime US REIT's properties where necessary, to improve the interior and exterior signages, lighting and other aesthetic aspects of the properties to enhance their attractiveness and achievable rental rates.

The Manager will initiate asset enhancement initiatives subject to the improvements satisfying projected levels of feasibility and profitability.

Implementing pro-active marketing plans

The Manager intends to work with the Property Managers to develop customised pro-active marketing plans for each applicable property. Each plan will focus on property-specific needs to maximise tenant interest and enhance the public profile and visibility with a view to increasing the value and appeal of the properties and to maintain the long-term value of the properties.

Continuing to rationalise operating costs

The Manager will work closely with the Property Managers to keep property operating expenses low while maintaining the quality of services. The Manager intends to rationalise operating costs through the following:

- working closely with the Property Managers to manage and reduce the property operating expenses (without reducing the quality of maintenance and services). Some cost management initiatives include (i) re-bidding service contracts to achieve cost savings, (ii) constantly reviewing workflow process to boost productivity, lower operational cost and foster close partnership with services providers to control costs and potential escalation, and (iii) upgrading the buildings' heating and cooling systems to improve energy efficiency and reduce energy costs; and

- exploiting the economies of scale associated with operating a portfolio of properties by, for example, bulk purchasing of supplies and cross-implementation of successful cost-saving programmes.

Given Prime US REIT's organic earnings growth potential, the Manager's initial strategy following the completion of the Offering is to focus on optimising the operational performance of Prime US REIT's IPO Portfolio. Nonetheless, moving forward, the Manager intends to actively explore acquisition opportunities to add value to Prime US REIT and enhance returns to Unitholders.

Investments and Acquisition Growth Strategy

The Manager will pursue opportunities to undertake acquisitions of assets that it believes will be accretive to Prime US REIT's portfolio and improve returns to Unitholders relative to Prime US REIT's weighted average cost of capital, and opportunities for future income and capital growth. In evaluating future acquisition opportunities, the Manager will seek acquisitions that may enhance the diversification of the portfolio by location and tenant profile, and optimise risk-adjusted returns to the Unitholders. The Manager believes it is well qualified to pursue its acquisition strategy. The management of the Manager, together with the staff of the U.S. Asset Manager, has extensive experience and a strong track record in sourcing, acquiring and financing real estate assets in the United States. The industry knowledge, relationships and access to market information of the management of the Manager and the U.S. Asset Manager provide a competitive advantage with respect to identifying, evaluating and acquiring additional real estate assets.

Investment criteria

In evaluating future acquisition opportunities for Prime US REIT, the Manager, working with the U.S. Asset Manager, will focus primarily on the following investment criteria in relation to the property under consideration:

Yield requirements: The Manager will seek to invest in income-producing properties that provide increasing distributions to Unitholders over time, through the ability to increase the building's occupancy rate, renew existing leases to higher market rents at lease expiration, and from contractual rental increases in the tenants' leases.

Tenant mix and occupancy characteristics: The Manager will seek to acquire properties with high quality and reputable existing tenants, or properties with the potential to generate higher rentals and properties with potential for high tenant retention rates, relative to comparable properties in their respective micro-property markets. In addition, the Manager will evaluate the following prior to the acquisition of a property: (i) tenant credit quality in order to reduce the probability of collection losses, (ii) rental rates and occupancy trends to estimate rental income and occupancy rate going forward and (iii) the impact of the acquisition on the entire portfolio's tenant, business sector and lease expiry profiles.

Location: Working with the U.S. Asset Manager, the Manager will assess each property's location and the potential based on business growth in its market, as well as its impact on the overall geographic diversification of the portfolio. The Manager will evaluate potential acquisition targets for micro-market location and convenient access to major roads and public transportation. The Manager will also evaluate a range of location-related criteria including, but not necessarily limited to, ease of access, proximity and connectivity to major business, tourist and transportation hubs, visibility of premises from the surrounding catchment markets, and immediate presence and concentration of competitors.

Value-enhancing opportunities: The Manager will seek to acquire properties with opportunities to increase occupancy rates and enhance value through proactive property management. The potential to add value through selective renovation or other types of asset enhancement initiatives will also be assessed.

Building and facilities specification: Working with the U.S. Asset Manager, the Manager will endeavour to conduct thorough property due diligence and adhere strictly to the relevant quality specifications, with due consideration given to the size and age of the buildings, with respect to potential properties to be acquired by Prime US REIT. The Manager will seek to acquire buildings with good quality specifications and which are in compliance with the relevant building and zoning regulations, including energy conservation, health and safety regulations. The Manager will rely on due diligence reports submitted by experts relating to the structural soundness of the building, repairs, maintenance, capital expenditure requirements and encroachment of site boundaries. These reports will be the basis upon which the Manager will assess building conditions and the expected levels of future capital expenditures.

The Manager currently expects that Prime US REIT will hold the properties it acquires on a long-term basis. However, in the future, where the Manager considers that any property has reached a stage that offers limited scope for further growth, the Manager may recommend divesting a property and recycling the proceeds into properties that meet its investment criteria.

Capital Management Strategy

The Manager will seek to optimise Prime US REIT's capital structure and cost of capital within the borrowing limits set out in the Property Funds Appendix and intends to employ a combination of debt and equity in financing acquisitions and asset enhancement initiatives.

The Manager will also endeavour to:

- maintain a strong balance sheet;
- secure diversified funding sources to access both financial institutions and capital markets; and
- optimise its cost of debt financing.

The Manager will seek to achieve the above by pursuing the following strategies:

Optimal capital structure strategy: Within the borrowing limits set out in the Property Funds Appendix, the Manager will endeavour to employ an optimal capital structure, comprising an appropriate mix of debt and equity in financing the acquisition of properties and asset enhancement activities of its properties. The Manager's capital management strategy involves adopting and maintaining aggregate leverage levels and debt maturity schedules that it believes will provide optimal returns to Unitholders, while maintaining flexibility in respect of future capital expenditures or acquisitions.

In the event that Prime US REIT incurs any future borrowings, the Manager will periodically review Prime US REIT's capital management policy with respect to its Aggregate Leverage and modify its strategy in light of prevailing market conditions. The Manager will endeavour to employ long-term, fixed-rate debt to the extent practicable in view of market conditions in existence from time to time.

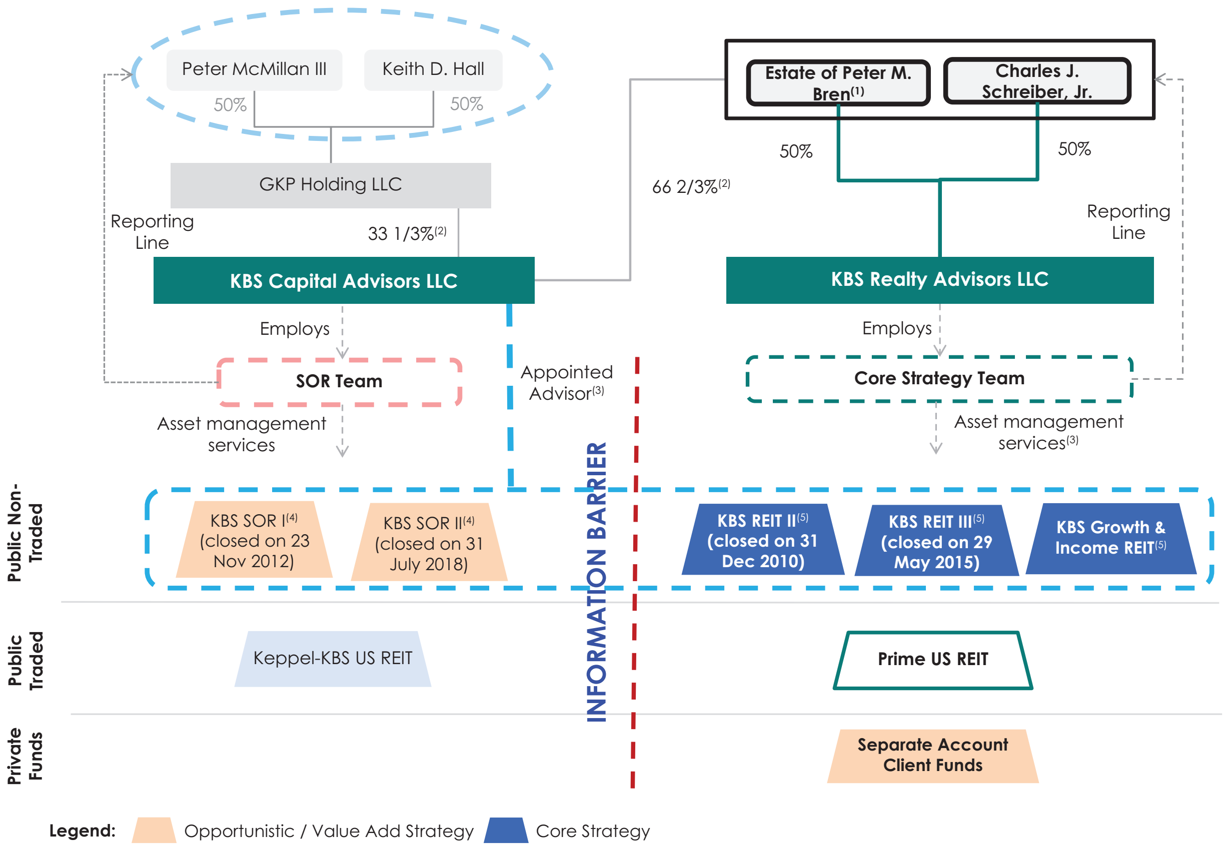
At the Listing Date, Prime US REIT has gross borrowings of US$452.2 million with an Aggregate Leverage of 37.0%. (See "Capitalisation and Indebtedness — Indebtedness" for further details.)

Debt diversification strategy: As and when appropriate, the Manager may consider diversifying sources of debt financing in the future by way of accessing the debt capital markets through the issuance of investment grade bonds to further enhance the debt maturity profile of Prime US REIT.

Other financing strategy: The Manager will, in the future, consider other opportunities to raise additional equity capital for Prime US REIT through the issue of new Units, for example to finance acquisitions of properties. The decision to raise additional equity will also take into account the stated strategy of maintaining an optimal capital structure.

ADDRESSING CONFLICTS OF INTEREST

The following structure chart sets out the relationship between the KBS entities for purposes of dealing with potential conflicts of interest.



Notes:

(1) Due to the passing of Peter M. Bren on 25 April 2019, his interest in KBS RA is currently held by his estate following which, such interest shall be transferred to an irrevocable trust whose sole beneficiary is Linda Bren and trustee is Richard Bren. Linda Bren is the spouse of Peter M. Bren. Charles J. Schreiber, Jr. controls the voting rights with respect to the interests in KBS CA and KBS RA held indirectly by the estate of Peter M. Bren.

(2) Indirect stake held through KBS Holdings LLC.

(3) While KBS CA is the appointed advisor for KBS REIT II, KBS REIT III and KBS Growth and Income REIT, there is an allocation of resources by KBS whereby the Core Strategy Team, which is part of KBS RA, provides asset management services to these REITs.

(4) "SOR" stands for Strategic Opportunity REIT. KBS SOR I and KBS SOR II were specifically designed to capitalise on the dislocation, lack of liquidity, and government intervention that exists in the commercial real estate markets by acquiring a diverse portfolio of opportunistic investments in discounted debt and distressed equity assets. KBS CA is the appointed advisor for KBS SOR I and KBS SOR II.

(5) Focused on income, growth and capital preservation.

Separate Teams

There are two distinct teams which operate within KBS – the Core Strategy Team and the KBS Strategic Opportunity team (the "**SOR Team**"). Each team is responsible for sourcing acquisitions and subsequent asset management for a subset of KBS-advised programs. The Core Strategy Team is under the employment of KBS RA.

KBS serves as the advisor to the following non-traded REITs: KBS Real Estate Investment Trust II Inc., KBS REIT III, KBS Growth & Income REIT (collectively, the "**Non-Traded Core Strategy REITs**"), KBS Strategic Opportunity REIT, Inc. and KBS Strategic Opportunity REIT II, Inc. (collectively, the "**Non-Traded SOR REITs**"), and also provides U.S. asset management service to Keppel-KBS US REIT through KBS CA. KBS CA is the appointed advisor for the Non-Traded Core Strategy REITs. While KBS CA is the appointed advisor for the Non-Traded Core Strategy REITs, there is an allocation of resources by KBS whereby the Core Strategy Team, which is part of KBS RA, serves as the asset management team that manages the Non-Traded Core Strategy REITs. Through KBS RA, the Core Strategy Team also manages eight private separate account funds, which have a value-add investment focus, including development.

Upon listing of Prime US REIT, KBS RA will be engaged by the Manager to act as the U.S. Asset Manager, and the SOR Team will have no involvement with Prime US REIT. The entire Core Strategy Team that will be providing asset management services to Prime US REIT is under the employment of KBS RA.

The SOR Team actively manages the Non-Traded SOR REITs and provides US asset management services for the Keppel-KBS US REIT. The Core Strategy Team has no involvement with the Non-Traded SOR REITs or Keppel-KBS US REIT.

Separate Reporting Lines

In the event that there is an asset that the Core Strategy Team and the SOR Team are both interested in acquiring, both teams may compete for the asset. However, the Core Strategy Team and the SOR Team report to different indirect owners of KBS. The Core Strategy Team reports to Charles J. Schreiber, Jr.. The SOR Team reports to Peter McMillan III and Keith D. Hall. In addition, the estate of Peter M. Bren and Charles J. Schreiber, Jr. have no ownership interest in the manager of Keppel-KBS US REIT and Peter McMillan III and Keith D. Hall have no ownership interest in the manager of Prime US REIT.

As stated above, the Core Strategy Team will support Prime US REIT on behalf of KBS RA and will continue to report separately to Charles J. Schreiber, Jr.. As a result, KBS RA does not anticipate any management conflicts will arise between the Core Strategy Team and the SOR Team. However, to prevent exchanges or communications that could lead to conflicts of interest between the Core Strategy Team and the SOR Team, and specifically to maintain confidentiality on matters relating to the acquisition including investment strategies, underwriting information and financial modelling, information barriers between the two teams have been established.

There have been discussions between the partners of KBS whereby the SOR Team may be reorganised and employed under a separate entity outside KBS. There can be no assurance that this will occur. Should this occur, there will be no impact on the U.S. Asset Manager and its ability to provide services to Prime US REIT.

If a conflict of interest arose between (i) Charles J. Schreiber, Jr.'s roles on the Non-Traded Core Strategy REITs or with respect to the private separate account funds and (ii) as a member of the Core Strategy Team that is responsible for supporting Prime US REIT, Charles J. Schreiber, Jr. will recuse himself from participating in any such discussions on behalf of (i) the Non-Traded Core Strategy REITs or private separate account funds; and (ii) Prime US REIT.

Details and Current Status of REITs and funds managed by KBS

Three REITs are currently managed by the Core Strategy Team: KBS REIT II, KBS REIT III and KBS Growth & Income REIT. KBS Growth & Income REIT is currently raising proceeds for investment. KBS REIT II, KBS REIT III and KBS Growth & Income REIT have some similar investment objectives as Prime US REIT. Further, KBS REIT III may use a portion of the net proceeds from the sale of assets to Prime US REIT to acquire additional real estate properties. The Core Strategy Team also manages eight separate account funds that may acquire additional properties. However, none of these private funds currently has committed allocations for investment. The Manager believes that potential conflicts of interests arising from the management of these REITs/funds by KBS would be effectively mitigated based on the Allocation Process (as defined herein), details of which are provided below.

With respect to the two REITs managed by the SOR Team, the offering period of KBS Strategic Opportunity REIT II, Inc. ended on 31 July 2018 and KBS Strategic Opportunity REIT, Inc. may launch a follow on offering. Both of these REITs have a value-add and opportunistic investment focus which does not conflict with the investment focus of Prime US REIT. In addition, Keppel-KBS US REIT, which is advised by the SOR Team, is listed on the Main Board of the SGX-ST and has similar investment objectives as Prime US REIT[1].

The following table includes a further discussion of the various REITs and funds managed by KBS, their investment focus and status of each:

Name of REIT/Fund	Investment Focus	Fund Closed Date	Asset Type
KBS Real Estate Investment Trust	Core and core plus real estate and loans secured by real estate.	31 May 2008	All assets have been sold as of the date of this Prospectus and the REIT has been liquidated.
KBS Real Estate Investment Trust II	Core and core plus real estate and loans secured by real estate. Not currently investing.	31 Dec 2010	Direct investment generally in office properties while loans could be secured by various asset types.
KBS REIT III	Core and core plus real estate with some loans secured by real estate. KBS REIT III may invest a portion of the proceeds from the sale of properties to Prime US REIT shortly thereafter in value creating core assets.	29 May 2015	Direct investment generally in office properties while loans could be secured by various asset types.
KBS Growth & Income REIT	Core and core plus with focus on value creating core.	Currently raising proceeds	Direct investment generally in office properties.
KBS Legacy Partners Apartment REIT	Core and core plus real estate, focus on multi-family.	31 Mar 2014	All assets have been sold as of the date of this Prospectus and the REIT has been liquidated.
Private separate account funds	Eight funds under management with a value-add focus. Funds may periodically invest when capital is available. No current committed allocations for investment.	N.A.	Direct investment generally in office properties with a value-add focus. Additionally, a lesser focus on development, including multi-family and office properties.
KBS Strategic Opportunity REIT, Inc.	Value add and opportunistic real estate, investments in joint ventures managing such real estate and loans secured by real estate.	23 Nov 2012 (May launch follow-on offering)	All asset types.
KBS Strategic Opportunity REIT II, Inc.	Value add and opportunistic real estate, investments in joint ventures managing such	31 July 2018	All asset types.

1 Based on the investment objectives of Keppel-KBS US REIT as set out in its IPO prospectus dated 2 November 2017.

Name of REIT/Fund	Investment Focus	Fund Closed Date	Asset Type
	real estate and loans secured by real estate.		
Keppel-KBS US REIT[(1)]	Income-producing commercial assets and real estate-related assets in key growth markets of the United States.	N.A.	Commercial and real estate-related assets.

Note:

(1) Based on the investment objectives of Keppel-KBS US REIT as set out in their IPO prospectus dated 2 November 2017.

Allocation of Acquisition Opportunities Among the Non-Traded Core Strategy REITs and Prime US REIT

In order to place a clear division and mitigate any potential conflicts of interest that may arise between the Non-Traded Core Strategy REITs and Prime US REIT, KBS CA and KBS RA have established an asset allocation policy on behalf of the Non-Traded Core Strategy REITs (the "**Allocation Process**"). For the avoidance of doubt, as Keppel-KBS US REIT is not managed by the Core Strategy Team, the Allocation Process would not apply to Keppel-KBS US REIT.

The Allocation Process begins at the listing of the Units on the SGX-ST in which potential asset acquisitions that meet all of the following criteria would be offered first to Prime US REIT:

(i) Class A office building;

(ii) Purchase price of at least US$125.0 million;

(iii) Average occupancy of at least 90% for the next two years based on contractual in place leases; and

(iv) Stabilised property investment yield that is generally supportive of the DPU of Prime US REIT.

To the extent Prime US REIT does not have the funds to acquire the asset or to the extent the Manager decides to forego the acquisition opportunity, such asset would then be offered to the Non-Traded Core Strategy REITs. Additionally, to the extent that opportunities arose that were less than US$125.0 million or otherwise do not meet the above criteria, and the Core Strategy REITs did not have the funds or elected to forego the acquisition opportunity, the asset would then be offered to Prime US REIT.

Exclusive Opportunities Sourced by Manager

Information on potential investment opportunities that are being sourced directly by the Manager on an exclusive basis will be exclusive to Prime US REIT.

KBS RA is a Registered Investment Adviser with the SEC

KBS RA is registered as an investment adviser with the US Securities Exchange Commission. As such, it is required to act as a fiduciary and in the best interest of the programs which it manages.

Unless otherwise specified, all information relating to the Properties in this Prospectus are as of 1 January 2019.

Prime US REIT is a Singapore REIT established with the principal investment strategy of investing, directly or indirectly, in stabilised income-producing office assets, and real estate related assets, in the U.S..

The IPO Portfolio comprises 11 office properties located in the United States, with an aggregate NLA of 3.4 million sq ft. The Appraised Value of the IPO portfolio is US$1,222 million. The aggregate purchase consideration payable by Prime US REIT for the IPO Portfolio is US$1,222 million.

The locations of the IPO Portfolio assets across the United States are set out below:

Property	Primary Market
1 Tower I at Emeryville	San Francisco Bay Area (Oakland)
2 222 Main	Salt Lake City
3 Village Center Station I	Denver
4 Village Center Station II	Denver
5 101 South Hanley	St. Louis
6 Tower 909	Dallas
7 Promenade I & II	San Antonio
8 CrossPoint	Philadelphia
9 One Washingtonian Center	Washington D.C. Area (Suburban Maryland)
10 Reston Square	Washington D.C. Area (Suburban Virginia)
11 171 17th Street	Atlanta

The IPO Portfolio properties were selected from the existing portfolio of KBS REIT III. The composition of the IPO Portfolio was determined based on the characteristics of the properties, such as building type, occupancy rate, tenant profile, lease expiry profile, location, size and current rental rates at the property and outlook of the submarket. In addition, due consideration was given to ensure that the IPO Portfolio assets are located in different markets across the U.S. to provide diversification.

Assets from the KBS REIT III's portfolio were excluded from consideration for the following reasons:

(i) the investment yields did not match the yields required for purposes of the IPO or were too low for various reasons, for example low occupancy, re-leasing costs and/or capital costs associated with the replacement or renewal of tenants;

(ii) including the property would reduce the diversification of the portfolio;

(iii) unfavourable lease expiry profile, due to large lease roll overs or risk of tenant non-renewal in the near future;

(iv) submarket/location in which the property is located was deemed to be weakening; and

(v) the property was deemed premature to sell, or could not be sold pursuant to U.S. REIT rules, specifically Section 857(b)(6) of the United States Internal Revenue Code (the "**Code**") which imposes a 100% tax on gain from the sale of "dealer property" (as generally described in Section 1221(a)(1) of the Code). To avoid such taxation under the Code pursuant to a "safe harbour", the REIT, among other requirements, generally is required to hold the property for at least two years.

CERTAIN INFORMATION ON THE PROPERTIES

The table below sets out certain information on the IPO Portfolio.

Name of Property	Primary Market	Land Tenure	Completion Year	Year of Last Refurbishment	NLA (sq ft)	Parking Stalls	Occupancy as at 1 January 2019	Number of Tenants as at 1 January 2019	WALE by NLA as at 1 January 2019 (years)	Annualised Rent per sq ft (US$) as at 1 January 2019 [(1)]	Valuation by Cushman as at 31 December 2018 (US$'000)	Valuation by JLL as at 31 December 2018 (US$'000)	Average of the two valuations as at 31 December 2018 (US$'000)
Tower I at Emeryville	San Francisco Bay Area (Oakland)	Freehold	1972	2012	222,206	509	81.1%	16	6.7	50.8	121,200	121,000	121,100
222 Main	Salt Lake City	Freehold	2009	2018 (Lobby)	426,657	852	97.2%	16	5.9	39.6	212,000	210,500	211,250
Village Center Station I	Denver	Freehold	2009	2019	234,915	786	96.8%	12	3.3	34.7	90,600	87,700	89,150
Village Center Station II	Denver	Freehold	2018	N.A.	325,576	1,165	100.0%	1	9.5	23.3[(2)]	146,500	142,600	144,550
101 South Hanley	St. Louis	Freehold	1986	2016/2017	360,505	916	99.8%	36	4.3	27.9	79,100	80,300	79,700
Tower 909	Dallas	Freehold	1988	2013 - 2015	374,251	1,107	90.9%	40	4.6	28.8	76,200	76,400	76,300
Promenade I & II	San Antonio	Freehold	2011	N.A.	205,773	768	99.8%	13	4.3	39.4	72,000	73,600	72,800
CrossPoint	Philadelphia	Freehold	1974	2014	272,360	1,035	100.0%	13	5.3	35.6	98,000	97,400	97,700
One Washingtonian Center	Washington D.C. Area (Suburban Maryland)	Freehold	1989	2013 - 2018	314,284	1,222	96.2%	15	5.3	35.4	102,000	102,200	102,100
Reston Square	Washington D.C. Area (Suburban Virginia)	Freehold	2007	2015	138,995	704	96.9%	7	4.6	44.1	52,100	49,900	51,000
171 17th Street	Atlanta	Freehold	2003	N.A.	510,268	1,200	100.0%	18	5.5	34.9	180,000	173,000	176,500
Total / Average/ Weighted Average	N.A.	N.A.	N.A.	N.A.	3,385,790	10,264	96.7%	187	5.5	34.7	1,229,700	1,214,600	1,222,150

Notes:

(1) Represents Cash Rental Income and is weighted by NLA.

(2) Does not include any recoveries income at Village Center Station II as the single tenant (i.e. Charter Communications) pays property expenses directly to external parties.

Certain information contained in this section has been extracted from the Independent Market Research Reported prepared by Cushman.

TOWER I AT EMERYVILLE

1900 Powell Street, Emeryville, California 94608

Property Description

Tower I at Emeryville is a 12-storey Class A multi-tenanted office building located in the Oakland (North Alameda) submarket within the San Francisco Bay Area (Oakland) primary market with an NLA of 222,206 sq ft.

Situated in close proximity to the San Francisco Bay, Tower I at Emeryville enjoys quick access to Interstate-580, which passes from San Rafael in the Bay Area to Tracy in the Central Valley. Public transportation is easily accessible through Amtrak, AC Transit, and free shuttles connecting Emeryville's employers and shopping centres with the MacArthur BART station. Tower I at Emeryville also lies in close proximity to the Oakland International Airport.

Tower I at Emeryville enjoys views of the San Francisco Bay, the San Francisco skyline, Golden Gate Bridge and the Treasure Island. It has undergone renovations in 2012 to offer an urban campus environment. The improvements include a tenant lounge, conference centre and bocce and basketball courts. Additionally, there will be further asset enhancements that include elevator modernisation and gym refurbishment[1].

Tower I at Emeryville is Energy Star certified.

1 The asset improvements are currently underway and if not completed by the Listing Date, the Vendor will give Prime US REIT a closing credit for the remaining contract amounts (as the current projections assume they will be completed prior to the Listing Date).

Summary of Selected Information

The table below sets out a summary of selected information on Tower I at Emeryville:

Address	1900 Powell Street, Emeryville, California
Land Tenure	Freehold
Completion Date	1972
Refurbishment	2012
Occupancy as of 1 January 2019	81.1%
Committed Occupancy as of 1 January 2019	82.3%
Property Manager	Cushman & Wakefield U.S., Inc.
Parking Stalls	509
Number of Storeys	12
NLA (sq ft)	222,206
Land Area (sq ft)	201,613
Gross Revenue for FY2018 (US$'000)	9,964
Net Property Income for FY2018 (US$'000)	5,734
Annualised Rent per sq ft (US$) as at 1 January 2019 (1)	50.8
Valuation by Cushman as at 31 December 2018 (US$'000)	121,200
Valuation by JLL as at 31 December 2018 (US$'000)	121,000
Number of Tenants as of 1 January 2019	16
WALE by NLA as at 1 January 2019 (years)	6.7
WALE by Cash Rental Income for the month of January 2019 (years)	6.8

Note:

(1) This represents Cash Rental Income and is weighted by NLA.

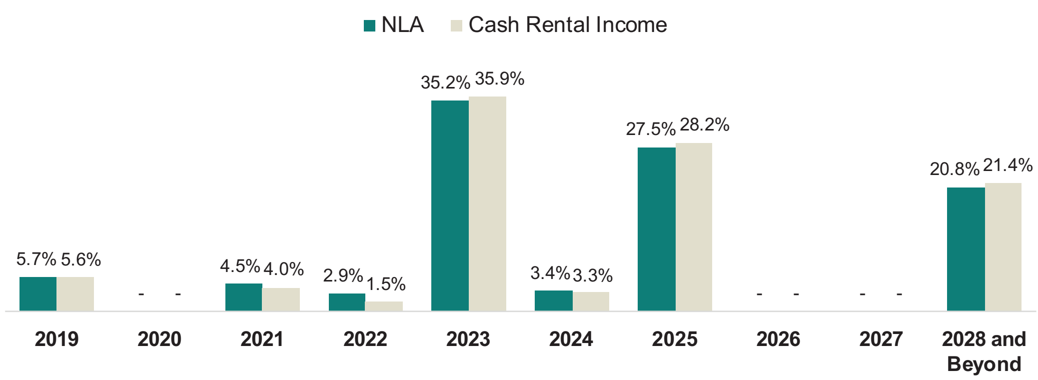
Top 10 Tenants

The table below sets out selected information on the top 10 tenants of Tower I at Emeryville by percentage of Cash Rental Income as at 1 January 2019:

Tenant	Trade Sector	% of Cash Rental Income
BeiGene	Scientific R&D	23.3%
WeWork	Real Estate	22.1%
Adamas Pharmaceuticals	Healthcare	21.8%
MobiTV	Communications	10.7%
Innovative Interfaces	Information Services	7.3%
Stat Revenue	Finance	3.0%
Witt/Kieffer, Ford, Hadelman	Professional Services	1.7%
Mercator	Healthcare	1.6%
Hyde Engineering & Consulting	Professional Services	1.5%
BearCom	Communications	1.5%
Top 10 Tenants		**94.5%**
Other Tenants		**5.5%**
Total		**100.0%**

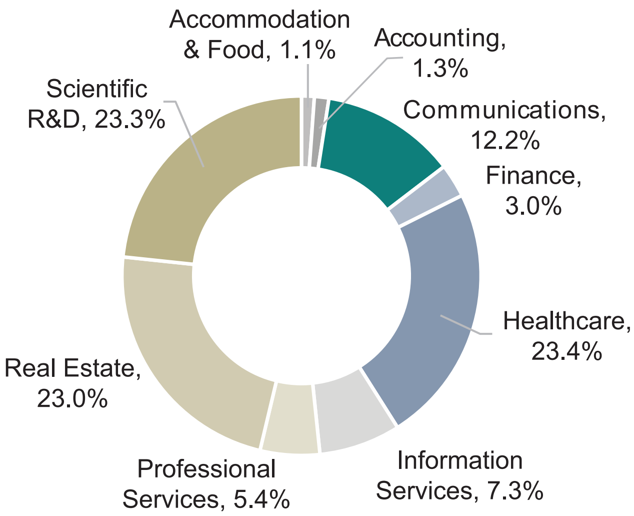
Lease Expiry Profile

The graphs below illustrate the lease expiry profile of Tower I at Emeryville weighted by NLA as of 1 January 2019 and Cash Rental Income for the month of January 2019.



Trade Sector Analysis

The chart below provides a breakdown by Cash Rental Income for the month of January 2019 by trade sector.



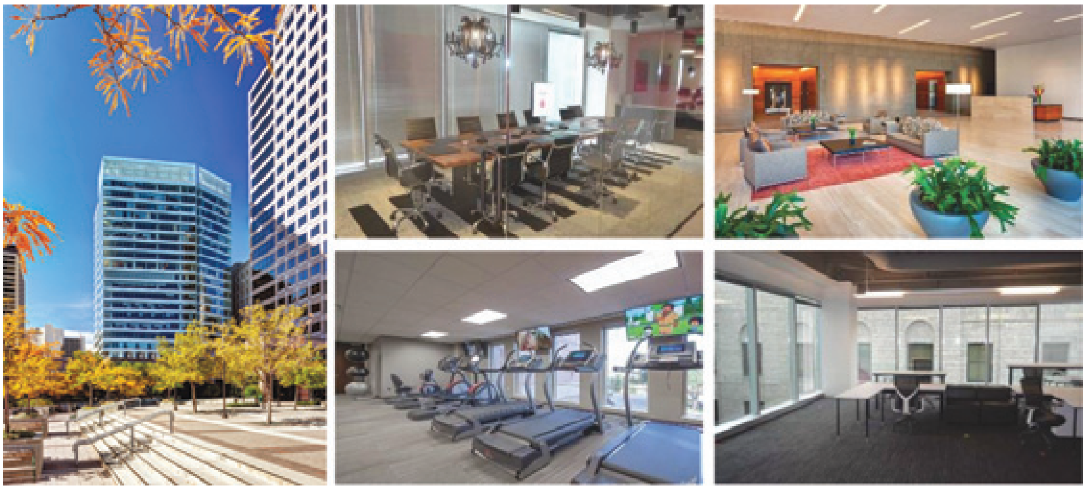
Competition

Cushman surveyed nine competitive properties within the Oakland (North Alameda) submarket. This submarket is becoming more attractive to tenants being “priced out” of San Francisco and San Jose/Silicon Valley. Built between 1972 and 2007, the properties are mid-rise to high-rise office buildings between four to 16-storeys high and 109,242 to 360,709 sq ft large. Average asking rates for competing office space range from US$30.25 to US$52.80 per sq ft, with an average of US$46.81 per sq ft on an equivalent full service rental basis. The average vacancy is approximately 5.5%, which is well below the city-wide average of 18.0%. Within the area, there have been a decrease in vacancy and an increase in asking rents. Continued growth in employment will likely result in increased demand for office space in the Oakland (North Alameda) submarket.

Tower I at Emeryville is considered a Class A office building by market participants based on its quality, condition, and tenancy. It benefits from being located within a well-established submarket centrally located within the San Francisco Bay Area, proximate to primary demand generators and local area amenities. Tower I at Emeryville also benefits from nearby major thoroughfares and public transportation with good accessibility from surrounding markets. Its immediate market reflects a competitive supply of available office space with stable rental rates. Based on its locational characteristics, project quality and current tenancy, Tower I at Emeryville has a good competitive position in comparison to other comparable buildings within the immediate market.

222 MAIN

222 South Main Street, Salt Lake City, Utah 84101



Property Description

222 Main is a 21-storey Class A multi-tenanted office building located in the CBD submarket within the Salt Lake City primary market with an NLA of 426,657 sq ft and a nine-storey parking structure.

Located at the southwest intersection of South Main Street and West 200 South Street, 222 Main is walking distance from the City Creek Center mixed-use development, which offers numerous first-class amenities. Additionally, 222 Main offers close proximity to a light rail (TRAX) stop that allows access to locations throughout Salt Lake Valley and the Salt Lake International Airport. 222 Main also provides easy access to other public transportation and Interstates 15, 80, and 215 are a close distance away.

222 Main was developed in 2009 and it has assets such as energy conserving and fully automated HVAC systems, and customisable voice/data communication and life safety/security systems.

222 Main is LEED Gold certified.

Summary of Selected Information

The table below sets out a summary of selected information on 222 Main:

Address	222 South Main Street, Salt Lake City, Utah
Land Tenure	Freehold
Completion Date	2009
Refurbishment	2018 (Lobby)
Occupancy as of 1 January 2019	97.2%
Committed Occupancy as of 1 January 2019	97.2%
Property Manager	HP Utah Management LLC
Parking Stalls	852
Number of Storeys	21
NLA (sq ft)	426,657
Land Area (sq ft)	71,002
Gross Revenue for FY2018 (US$'000)	19,554
Net Property Income for FY2018 (US$'000)	14,367
Annualised Rent per sq ft (US$) as at 1 January 2019 (1)	39.6
Valuation by Cushman as at 31 December 2018 (US$'000)	212,000
Valuation by JLL as at 31 December 2018 (US$'000)	210,500
Number of Tenants as of 1 January 2019	16
WALE by NLA as at 1 January 2019 (years)	5.9
WALE by Cash Rental Income for the month of January 2019 (years)	6.0

Note:

(1) This represents Cash Rental Income and is weighted by NLA.

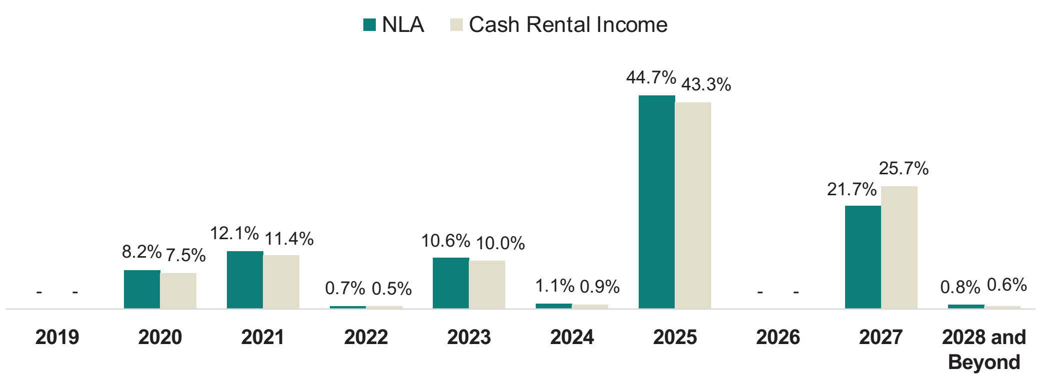
Top 10 Tenants

The table below sets out selected information on the top 10 tenants of 222 Main by percentage of Cash Rental Income as at 1 January 2019:

Tenant	Trade Sector	% of Cash Rental Income
Goldman Sachs	Finance	41.4%
Holland & Hart	Legal	25.7%
Perfectly Posh	Retail	10.0%
CBRE, Inc.	Real Estate	4.2%
Mastery Connect	Education	3.6%
Regus	Real Estate	3.3%
Phillips Edison & Company	Real Estate	3.3%
Extend Health	Healthcare	3.0%
Robert Baird & Co	Finance	1.9%
Soltis	Finance	0.8%
Top 10 Tenants		**97.3%**
Other Tenants		**2.7%**
Total		**100.0%**

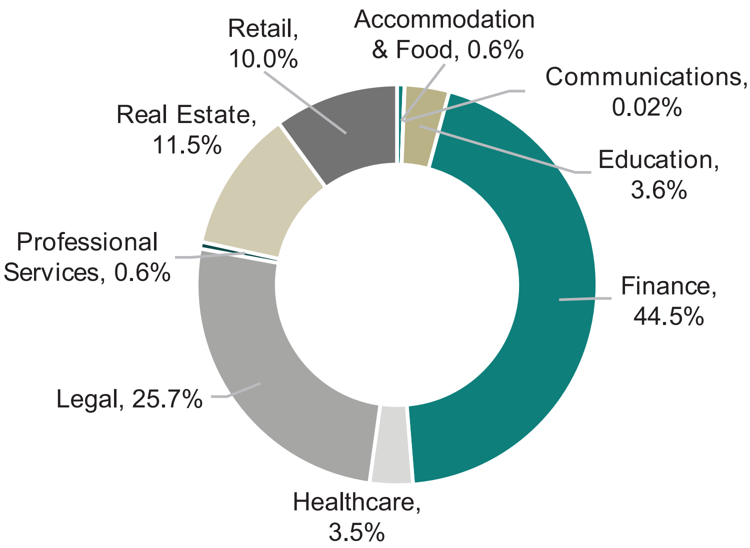
Lease Expiry Profile

The graphs below illustrate the lease expiry profile of 222 Main weighted by NLA as of 1 January 2019 and Cash Rental Income for the month of January 2019.



Trade Sector Analysis

The chart below provides a breakdown by Cash Rental Income for the month of January 2019.



Competition

Cushman surveyed 13 competitive office located within the Salt Lake City CBD. The properties are between six and 26-storeys in height, with an average NLA of 328,017 sq ft. Most of the properties were built between 1986 and 2016. The average vacancy is approximately 7.6%, which is well below the city-wide average of 17.0%. Average asking rates range from US$23.00 to US$38.00 per sq ft, with an average of US$31.27 per sq ft. These are on an equivalent full service rental basis in which the tenant is responsible for any increases in operating expenses over base year occupancy.

222 Main is considered a desirable Class A office building by market participants based on its quality, condition, location and tenancy. Vacancy in the 222 Main's CBD submarket has trended downward since 2013. Rental rates have trended upward since 2013 and are expected to increase over the next five years. 222 Main benefits from being located within a well-established submarket centrally located within Salt Lake County, proximate to primary demand generators and local area amenities. In addition, 222 Main is located within the Salt Lake City CBD, which has a significant household base that supports professional and financial services and healthcare-related office tenancy. 222 Main offers adequate amenities that are attractive to prospective tenants as evidenced by its current tenancy. Based on its locational characteristics, project quality and current tenancy, 222 Main has a good competitive position in comparison to other comparable buildings within the immediate market.

VILLAGE CENTER STATION I

6380 S. Fiddler's Green Circle, Greenwood Village, Colorado 80111

Property Description

Village Center Station I is a nine-storey Class A multi-tenanted office building located in the Southeast Suburban submarket of the Denver primary market with an NLA of 234,915 sq ft and an adjacent parking structure. The property is part of the Village Centre Station campus, which is a developing three building campus with several major tenants.

Village Center Station I enjoys excellent access characteristics to and through the local market area, with three major highways and various major arteries servicing the area. Primary access into the local market is provided by Interstate 25, the major north-south highway through the Denver CBSA and the State of Colorado. To the southeast of Village Center Station I, across Interstate 25, is the Centennial Airport which is considered one of U.S.'s busiest general aviation executive airports and is easily accessible from the property. Adjacent to Village Center Station I is the Arapahoe at Village Centre Station light rail passenger station where riders can take three lines, E, F and R, into the heart of Denver and other residential and financial areas.

Improvements were completed in early 2019. Village Center Station I currently features concrete panels, composite veneer, and glass curtain wall construction and numerous amenities including ground floor retail. Within Village Center Station I, there are lifestyle amenities such as a fitness centre, café/deli, locker rooms with showers, bike storage and numerous on-site restaurants.

Village Center I is LEED Gold certified.

Summary of Selected Information

The table below sets out a summary of selected information on Village Center Station I:

Address	6380 S Fiddlers Green Circle, Greenwood Village, Colorado
Land Tenure	Freehold
Completion Date	2009
Refurbishment	2019
Occupancy as of 1 January 2019	96.8%
Committed Occupancy as of 1 January 2019	99.3%
Property Manager	Jones Lang LaSalle Americas, Inc.
Parking Stalls	786
Number of Storeys	9
NLA (sq ft)	234,915
Land Area (sq ft)	141,134
Gross Revenue for FY2018 (US$'000)	9,627
Net Property Income for FY2018 (US$'000)	5,750
Annualised Rent per sq ft (US$) as at 1 January 2019 (1)	34.7
Valuation by Cushman as at 31 December 2018 (US$'000)	90,600
Valuation by JLL as at 31 December 2018 (US$'000)	87,700
Number of Tenants as of 1 January 2019	12
WALE by NLA as at 1 January 2019 (years)	3.3
WALE by Cash Rental Income for the month of January 2019 (years)	3.2

Note:

(1) This represents Cash Rental Income and is weighted by NLA.

Top 10 Tenants

The table below sets out selected information on the top 10 tenants of Village Center Station I by percentage of Cash Rental Income as at 1 January 2019:

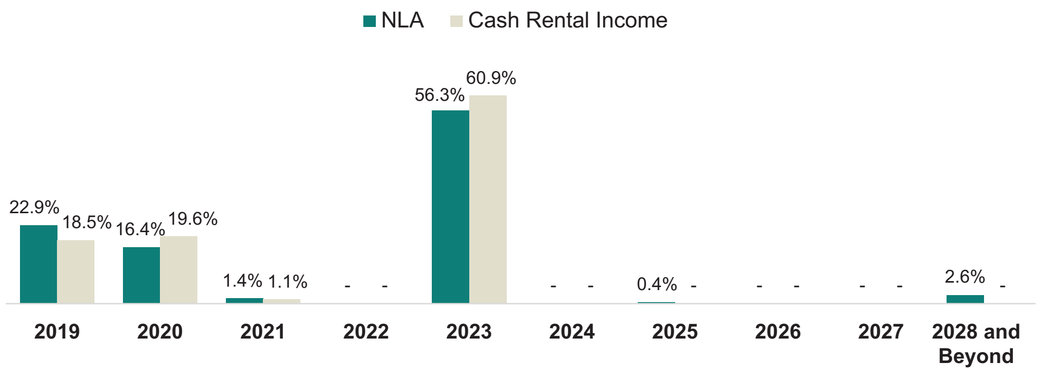
Tenant	Trade Sector	% of Cash Rental Income
Cricket Communications[(1)]	Communications	25.4%
Charter Communications	Communications	17.7%
Regis University	Education	15.4%
Holland & Hart	Legal	13.9%
CB&I Federal Services	Mining, Oil & Gas	11.9%
Shea Properties	Real Estate	5.4%
Starbucks	Accommodation and Food	4.7%
Chinook Tavern	Accommodation and Food	1.6%
Tokyo Joe's	Accommodation and Food	1.1%
Pilates Denver Studio	Professional Services	1.0%
Top 10 Tenants		**97.9%**
Other Tenants		**2.1%**
Total		**100.0%**

Note:

(1) Charter Communications currently subleases the space from Cricket Communications and will replace Cricket Communications as a tenant upon expiry of Cricket Communication's leases in Feb 2021.

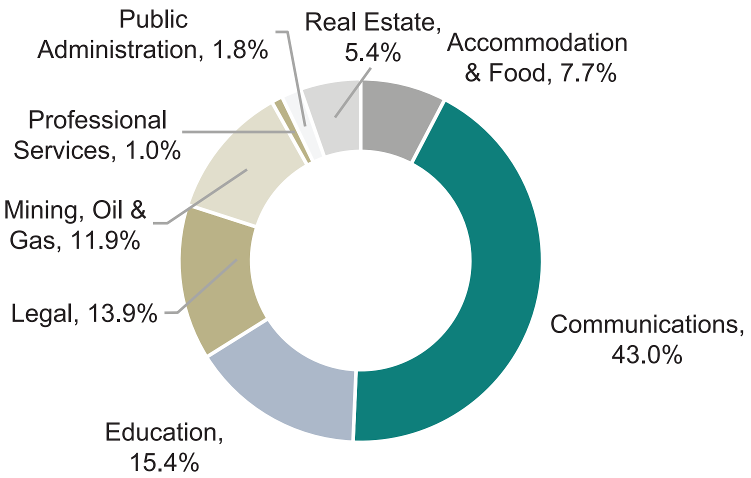
Lease Expiry Profile

The graphs below illustrate the lease expiry profile of Village Center Station I weighted by NLA as of 1 January 2019 and Cash Rental Income for the month of January 2019.



Trade Sector Analysis

The chart below provides a breakdown by Cash Rental Income for the month of January 2019 by trade sector.



Competition

Cushman surveyed 13 competitive office buildings located within the Southeast Suburban submarket of Denver, comprising mid-rise suburban Class A state-of-the-art office buildings constructed after 1985. Eight out of the 13 buildings are 100% leased. The average vacancy is approximately 6.1%, which falls far lower than the 18.7% vacancy witnessed in the Southeast Suburban submarket and the metro Denver average of 17.5%. Average asking rates for competitive office space range from US$19.00 to US$25.00 per sq ft, with an average of US$22.84 per sq ft on a triple net rental basis.

Village Center Station I is considered a Class A office building by market participants based on its quality, condition, and tenancy. The building benefits from being located within a well-established submarket located along the I-25 corridor, proximate to primary demand generators and local area amenities. In addition, the property is located with the community of Greenwood Village, which has significant residential base that supports professional and financial services, high-tech firms and healthcare-related office tenancy. The property also benefits from being located near major thoroughfares and public transportation with accessibility from surrounding markets. The Property offers good amenities that are attractive to prospective tenants as evidenced by its current tenancy. Based on its locational characteristics, project quality, and current tenancy, Village Center Station I has a good competitive position in comparison to other comparable buildings within the immediate market.

VILLAGE CENTER STATION II

6360 S. Fiddler's Green Circle, Greenwood Village, Colorado 80111

Property Description

Village Center Station II is a 12-storey Class A single-tenanted office tower with attached parking and an additional two-storey building located in the Southeast Suburban submarket of the Denver primary market with an NLA of 325,576 sq ft. The property is part of the Village Centre Station campus, which is a developing three building campus with several major tenants.

Village Center Station II possesses excellent access characteristics to and through the local market area, with three major highways and various major arteries servicing the area. Primary access into the local market is provided by Interstate 25, the major north-south highway through the Denver CBSA and the State of Colorado. To the southeast of Village Center Station II, across Interstate 25, is the Centennial Airport which is considered one of U.S.'s busiest general aviation executive airports and is easily accessible from the property. Adjacent to Village Center Station II is the Arapahoe at Village Centre Station light rail passenger station where riders can take three lines, E, F and R, into the heart of Denver and other residential and financial areas.

Village Center Station II has recently been completed and features concrete panels, composite veneer and glass curtain wall construction and amenities such as restaurants and a pedestrian plaza that provides an area for outdoor concerts, art fairs, and other community activities.

Village Center Station II is LEED certified.

Summary of Selected Information

The table below sets out a summary of selected information on Village Center Station II:

Address	6360 S Fiddlers Green Circle, Greenwood Village, Colorado
Land Tenure	Freehold
Completion Date	2018
Refurbishment	N.A.
Occupancy as of 1 January 2019	100.0%
Committed Occupancy as of 1 January 2019	100.0%
Property Manager	Shea Properties Management Company, Inc.
Parking Stalls	1,165
Number of Storeys	12
NLA (sq ft)	325,576
Land Area (sq ft)	225,641
Gross Revenue for FY2018 (US$'000)	2,226
Net Property Income for FY2018 (US$'000)	2,025
Annualised Rent per sq ft (US$) as at 1 January 2019 (1)	23.3
Valuation by Cushman as at 31 December 2018 (US$'000)	146,500
Valuation by JLL as at 31 December 2018 (US$'000)	142,600
Number of Tenants as of 1 January 2019	1
WALE by NLA as at 1 January 2019 (years)	9.5
WALE by Cash Rental Income for the month of January 2019 (years)	9.5

Note:

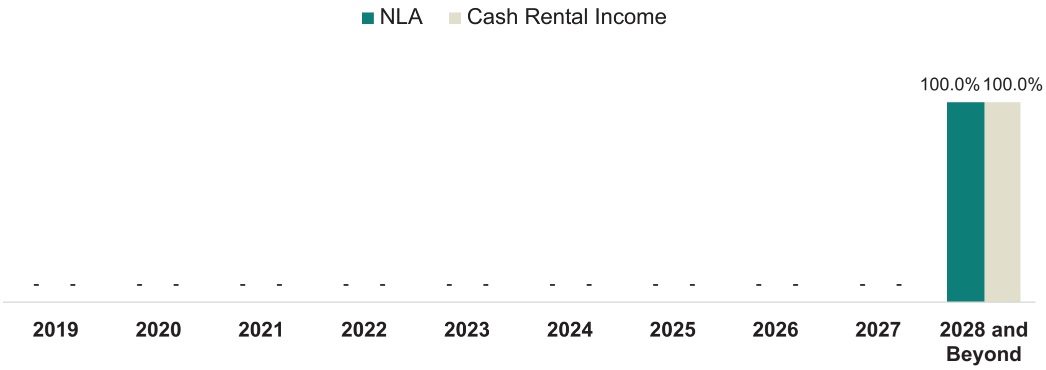
(1) This represents Cash Rental Income and is weighted by NLA. Does not include any recoveries income as the single tenant (i.e. Charter Communications) pays property expenses directly to external parties.

Top 10 Tenants

Village Center Station II is a single-tenanted, built-to-suit property for Charter Communications which is in the communications trade sector. Charter Communications has entered into a long-term lease for this property which expires in June 2028.

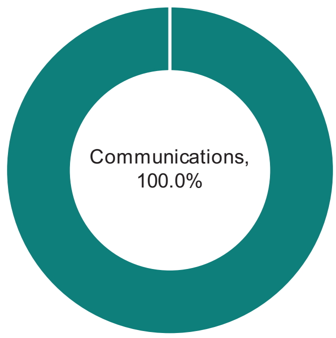
Lease Expiry Profile

The graphs below illustrate the lease expiry profile of Village Center Station II weighted by NLA as of 1 January 2019 and Cash Rental Income for the month of January 2019.



Trade Sector Analysis

The chart below provides a breakdown by Cash Rental Income for the month of January 2019 by trade sector.



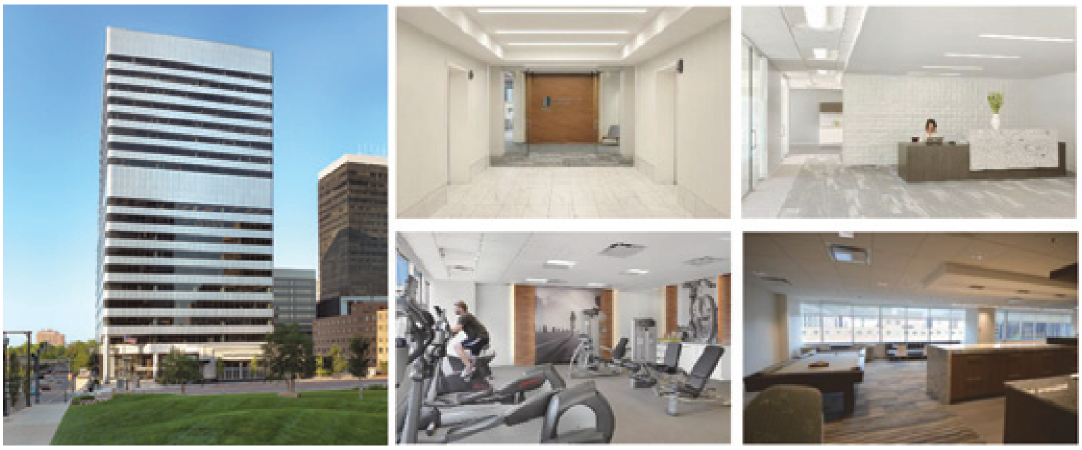
Competition

Cushman surveyed 13 competitive office buildings located within the Southeast Suburban submarket of Denver, comprising mid-rise suburban Class A state-of-the-art office buildings constructed after 1985. Eight out of the 13 buildings are 100% leased. The average vacancy is approximately 6.1%, which falls far lower than the 18.7% vacancy witnessed in the Southeast Suburban submarket and the metro Denver average of 17.5%. Average asking rates for competitive office space range from US$19.00 to US$25.00 per sq ft, with an average of US$22.84 per sq ft on a triple net rental basis.

Village Center Station II is considered a Class A office building by market participants based on its quality, condition, and tenancy. The building benefits from being located within a well-established submarket located along the I-25 corridor, proximate to primary demand generators and local area amenities. In addition, the property is located with the community of Greenwood Village, which has significant residential base that supports professional and financial services, high-tech firms and healthcare-related office tenancy. The property also benefits from being located near major thoroughfares and public transportation with accessibility from surrounding markets. The Property offers good amenities that are attractive to prospective tenants as evidenced by its current single tenancy. Based on its locational characteristics, project quality, and current tenancy, Village Center Station II has a good competitive position in comparison to other comparable buildings within the immediate market.

101 SOUTH HANLEY

101 S. Hanley Road, Clayton, St. Louis, Missouri 63105



Property Description

101 South Hanley is a 19-storey Class A multi-tenanted office tower located in the Clayton submarket within the St. Louis primary market with an NLA of 360,505 sq ft and a four-storey parking structure.

101 South Hanley lies in close proximity to Interstate 170 and Interstate 64 which serve as primary traffic arteries for St. Louis County and the St. Louis metropolitan area. Public transportation is available through both the light rail system and the bus system. The neighbourhood has a good network of local thoroughfares which provides easy access to and from the Clayton Business District, the interstate highway system and other important local destinations. The property is in close proximity to Interstate 64, Interstate 170 and Forest Park Parkway, and a MetroLink light rail station is two blocks away.

Improvements to the property were completed between 2016 and 2017. 101 South Hanley offers companies a modern workplace environment that features a full array of amenities such as a conference centre, a tenant lounge, fitness centre with full locker rooms, car wash, and a full-service restaurant. Common area upgrades and elevator modernisation is currently ongoing.

Summary of Selected Information

The table below sets out a summary of selected information on 101 South Hanley:

Address	101 S. Hanley Road, Clayton, St. Louis, Missouri
Land Tenure	Freehold
Completion Date	1986
Refurbishment	2016/2017
Occupancy as of 1 January 2019	99.8%
Committed Occupancy as of 1 January 2019	99.8%
Property Manager	CBRE, Inc.
Parking Stalls	916
Number of Storeys	19
NLA (sq ft)	360,505
Land Area (sq ft)	76,000
Gross Revenue for FY2018 (US$'000)	11,396
Net Property Income for FY2018 (US$'000)	6,703
Annualised Rent per sq ft (US$) as at 1 January 2019 (1)	27.9
Valuation by Cushman as at 31 December 2018 (US$'000)	79,100
Valuation by JLL as at 31 December 2018 (US$'000)	80,300
Number of Tenants as of 1 January 2019	36
WALE by NLA as at 1 January 2019 (years)	4.3
WALE by Cash Rental Income for the month of January 2019 (years)	4.4

Note:

(1) This represents cash rental income and is weighted by NLA.

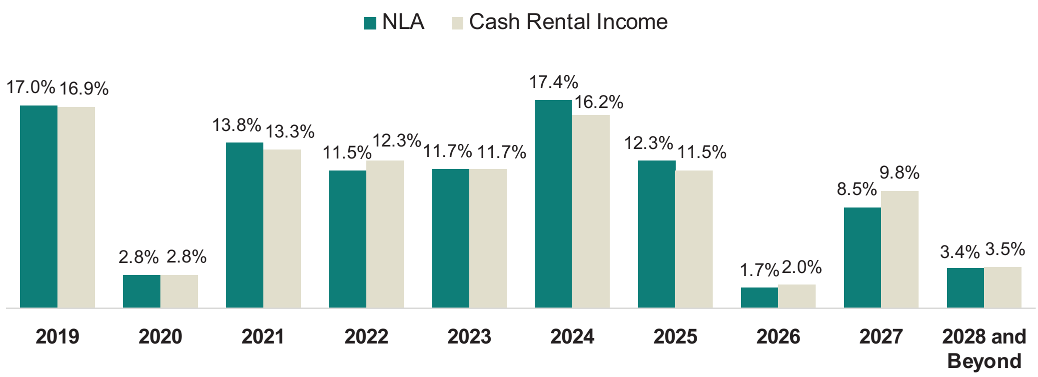
Top 10 Tenants

The table below sets out selected information on the top 10 tenants of 101 South Hanley by percentage of Cash Rental Income as at 1 January 2019:

Tenant	Trade Sector	% of Cash Rental Income
NISA Investment Advisors	Finance	19.6%
Ascension Health Alliance	Healthcare	10.4%
Stone Carlie & Company	Professional Services	7.5%
Towers Watson Pennsylvania	Professional Services	7.4%
Foley & Mansfield	Legal	5.5%
Varsity Tutors	Education	5.5%
Viasystems Technologies	Scientific R&D	5.1%
Colliers International	Real Estate	4.3%
Capital Grille	Accommodation & Food	4.1%
Washington University	Education	3.5%
Top 10 Tenants		**72.9%**
Other Tenants		**27.1%**
Total		**100.0%**

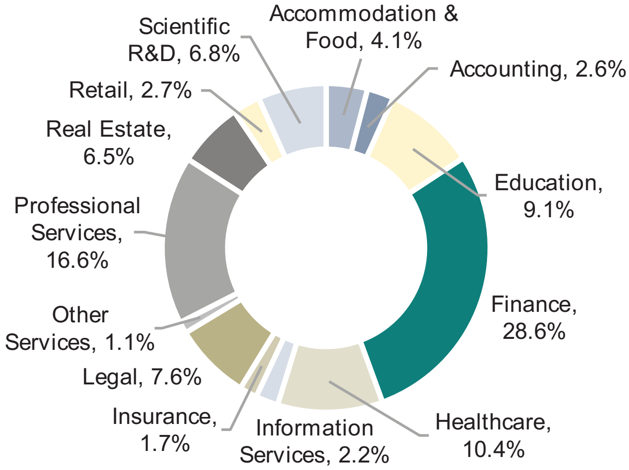
Lease Expiry Profile

The graphs below illustrate the lease expiry profile of 101 South Hanley weighted by NLA as of 1 January 2019 and Cash Rental Income for the month of January 2019.



Trade Sector Analysis

The chart below provides a breakdown by Cash Rental Income for the month of January 2019 by trade sector.



Competition

Cushman surveyed 14 competitive office properties located within the Clayton submarket, a major employment centre for the region. These properties were built between 1982 and 1989 and are mid-rise to high-rise office products between four and nineteen-storeys and 57,543 and 360,505 sq ft in size. Average asking rates for competitive office space range from US$26.00 to US$33.00 per sq ft, with an average of US$28.99 per sq ft on an equivalent full service rental basis. The average vacancy is approximately 2.7%, which is well below the city-wide average of 16.4%. Occupancy rates are expected to remain high over the next few years as no major additions to the existing office inventory are expected, with the exception of a corporate expansion, anticipated to not bring much third-party space to the market. At the same time, rental rates are expected to increase over the next five years.

101 South Hanley is considered a Class A office property by market participants based on its quality, condition, and tenancy. 101 South Hanley is situated within the premier employment centre of the Clayton submarket. It benefits from being located near major interstate highways and public transportation with good accessibility to walkable amenities, akin to what today's tenant desires. In addition, residential and office projects proposed in the 101 South Hanley's location should keep demand steady for real estate in the coming years. 101 South Hanley has also historically at least matched the market in terms of occupancy and rental rates and is currently outperforming the market. Based on its locational characteristics, project quality, recent upgrades and current tenancy, 101 South Hanley has a good competitive position in comparison to other comparable buildings.

TOWER 909

909 Lake Carolyn Parkway, Irving, Texas 75039

Property Description

Tower 909 is a 19-storey Class A multi-tenanted office building located in the Las Colinas submarket within the Dallas primary market with an NLA of 374,251 sq ft and a seven-storey parking structure. It is part of the Las Colinas master planned development.

Tower 909 benefits from being the terminal stop on the Las Colinas' Area Personal Transit System and is adjacent to the recently opened Urban Center Station on the DART light rail system. Tenants benefit from direct covered pedestrian access to the station. Tower 909 also offers a shuttle service to and from the new Toyota Music Factor and is adjacent to the Water Street development, a mixed-use project which features premium retail and dining options.

Tower 909 undergone refurbishments through 2013 to 2015 and offers a tenant lounge, massage room, conference centre, fitness centre, showers and lockers and a deli.

Tower 909 is LEED certified.

Summary of Selected Information

The table below sets out a summary of selected information on Tower 909:

Address	909 Lake Carolyn Parkway, Irving, Texas
Land Tenure	Freehold
Completion Date	1988
Refurbishment	2013-2015
Occupancy as of 1 January 2019	90.9%
Committed Occupancy as of 1 January 2019	93.9%
Property Manager	Transwestern Commercial Services Central Region, L.P. dba Transwestern
Parking Stalls	1,107
Number of Storeys	19
NLA (sq ft)	374,251
Land Area (sq ft)	154,403
Gross Revenue for FY2018 (US$'000)	9,631
Net Property Income for FY2018 (US$'000)	4,650
Annualised Rent per sq ft (US$) as at 1 January 2019 (1)	28.8
Valuation by Cushman as at 31 December 2018 (US$'000)	76,200
Valuation by JLL as at 31 December 2018 (US$'000)	76,400
Number of Tenants as of 1 January 2019	40
WALE by NLA as at 1 January 2019 (years)	4.6
WALE by Cash Rental Income for the month of January 2019 (years)	4.5

Note:

(1) This represents Cash Rental Income and is weighted by NLA.

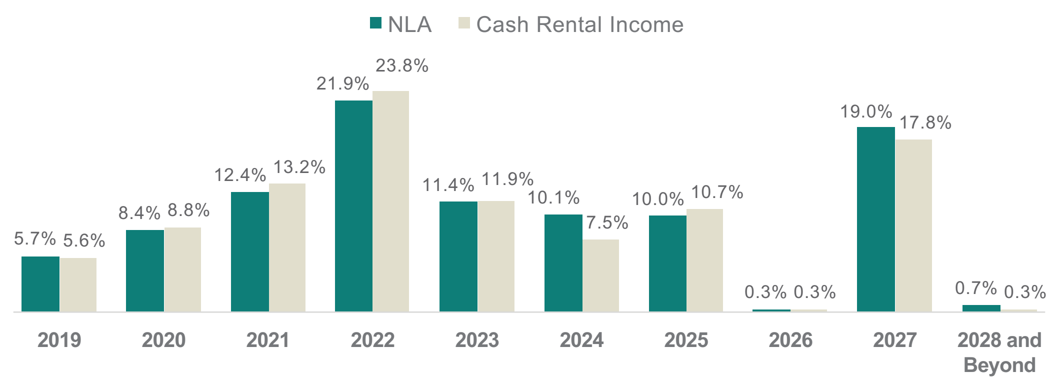
Top 10 Tenants

The table below sets out selected information on the top 10 tenants of Tower 909 by percentage of Cash Rental Income as at 1 January 2019:

Tenant	Trade Sector	% of Cash Rental Income
Matheson Gas	Mining, Oil and Gas	18.0%
Fleur de Lis Energy	Mining, Oil and Gas	9.9%
Medallion	Finance	9.1%
New Leaf	Other Services	6.0%
Theo Executive Group	Professional Services	5.0%
Pernod Richard	Arts & Entertainment	5.0%
One Vision	Information Services	3.5%
NFI	Transport & Logistics	3.4%
Improved Petroleum Recovery	Mining, Oil and Gas	3.4%
Finance of America	Finance	3.4%
Top 10 Tenants		**66.7%**
Other Tenants		**33.3%**
Total		**100.0%**

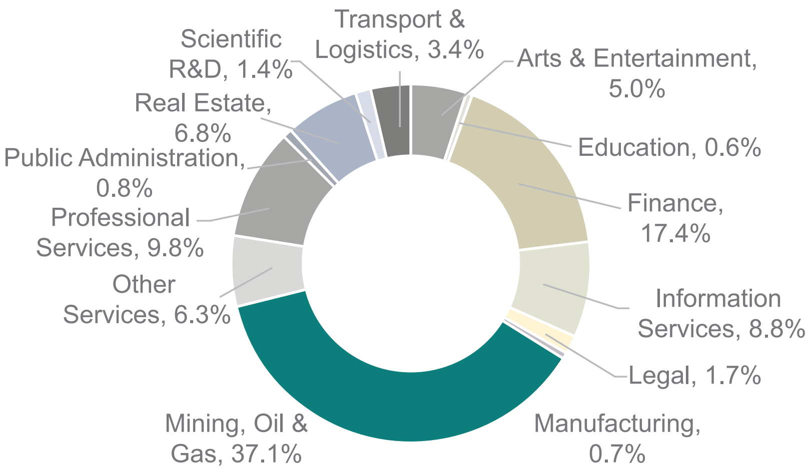
Lease Expiry Profile

The graphs below illustrate the lease expiry profile of Tower 909 weighted by NLA as of 1 January 2019 and Cash Rental Income for the month of January 2019.



Trade Sector Analysis

The chart below provides a breakdown by Cash Rental Income for the month of January 2019 by trade sector.



Competition

Cushman surveyed 16 competitive office properties located in the Las Colinas submarket in Irving which extends primarily in an area along John Carpenter Freeway. The properties are mid-rise to high-rise office products built between 1979 and 2018 and range from four to 26-storeys high. Among the 16 properties surveyed, two are 100% leased. Average asking rates for competitive office space range from US$26.00 to US$36.70 per sq ft, with an average of US$30.30 per sq ft on an equivalent full service plus electricity rental basis. The average vacancy is approximately 12.4%, which is below the city-wide average of 16.4%. Market trends reflect increasing rental rates and occupancy for the submarket that will slightly outperform Dallas averages.

Tower 909 is considered a Class A office building by market participants based on its quality, condition, and tenancy. Most of the local inventory was developed in the 1980s. The newest construction was a tenant building at the Toyota Music Factory, which was fully leased by a single tenant prior to completion and is a testament to the demand that this additional development created. Tower 909 benefits from being located within a well-established corporate headquarters destination. Tower 909 also benefits from being located near major thoroughfares and public transportation with good accessibility from surrounding markets and excellent proximity to Dallas Fort-Worth International Airport, another demand generator. Based on its locational characteristics, sprawling views, project quality, walkability to amenities and current tenancy, Tower 909 has a good competitive position in comparison to other comparable buildings within the immediate market.

PROMENADE I & II

17802 & 17806 IH-10 W, San Antonio, Bexar County, Texas 78257

Property Description

Promenade I and II are two four-storey multi-tenanted Class A office buildings located in the West submarket within the San Antonio primary market with an NLA of 205,773 sq ft. The property is located within the Eilan mixed-use development which includes a boutique hotel, restaurants, retail, apartment complex and office space surrounding a piazza with Tuscan-style stucco exteriors, stone facades and clay-tiled roofs.

According to Cushman, the property represents one of the highest quality Class A office buildings in the San Antonio market with high-end finishes, which coupled with proximity to retail, restaurants and hotel services, provides a competitive advantage over other Class A office buildings in the market area.

Promenade I & II is within the northwest quadrant of Interstate 10 and Loop 1604, near the region’s top employers and proximate to many affluent executive housing and multi-family residential developments. Interstate 10 connects San Antonio with Houston and beyond to the east and El Paso and beyond to the west. Loop 1604 encircles the city of San Antonio and provides access to the outer and suburban areas of the city of San Antonio. In addition, San Antonio’s two largest shopping centres, The Rim and The Shops at La Cantera are within close proximity of Promenade I & II.

The building offers amenities such as workout facilities, spa services, conference rooms, convenience store, dry cleaning services, tennis courts, indoor and outdoor pools, and drinking and dining options. The overall amenity level and quality of surrounding retail and hotel uses are attractive for potential office tenants.

Promenade I & II is Energy Star certified.

Summary of Selected Information

The table below sets out a summary of selected information on Promenade I & II:

Address	17802 & 17806 I-10, San Antonio, Texas
Land Tenure	Freehold
Completion Date	2011
Refurbishment	N/A
Occupancy as of 1 January 2019	99.8%
Committed Occupancy as of 1 January 2019	99.8%
Property Manager	CBRE, Inc.
Parking Stalls	768
Number of Storeys	4 + 1 lower level
NLA (sq ft)	205,773
Land Area (sq ft)	272,772
Gross Revenue for FY2018 (US$'000)	8,347
Net Property Income for FY2018 (US$'000)	5,202
Annualised Rent per sq ft (US$) as at 1 January 2019 (1)	39.4
Valuation by Cushman as at 31 December 2018 (US$'000)	72,000
Valuation by JLL as at 31 December 2018 (US$'000)	73,600
Number of Tenants as of 1 January 2019	13
WALE by NLA as at 1 January 2019 (years)	4.3
WALE by Cash Rental Income for the month of January 2019 (years)	4.4

Note:

(1) This represents Cash Rental Income and is weighted by NLA.

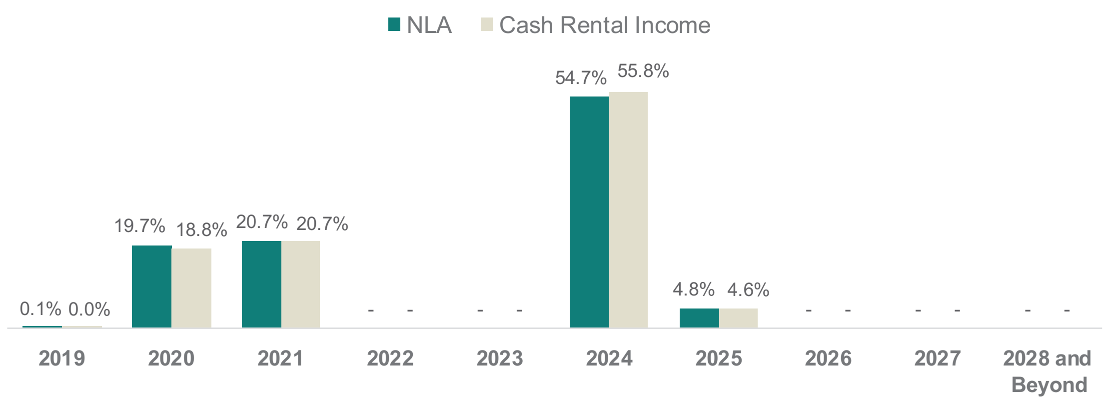
Top 10 Tenants

The table below sets out selected information on the top 10 tenants of Promenade I & II by percentage of Cash Rental Income as at 1 January 2019:

Tenant	Trade Sector	% of Cash Rental Income
Apache Corporation	Mining, Oil and Gas	35.8%
Steak 'N Shake	Accommodation and Food	13.9%
Constellation Brands	Accommodation and Food	9.9%
Regus	Real Estate	7.7%
Health Care Service	Healthcare	5.6%
Merrill Lynch	Finance	4.6%
Polunsky & Beitel	Legal	4.4%
Schmoyer Reinhard	Legal	4.2%
Gulftex Energy	Mining, Oil and Gas	4.1%
KPMG	Accounting	2.7%
Top 10 Tenants		**92.8%**
Other Tenants		**7.2%**
Total		**100.0%**

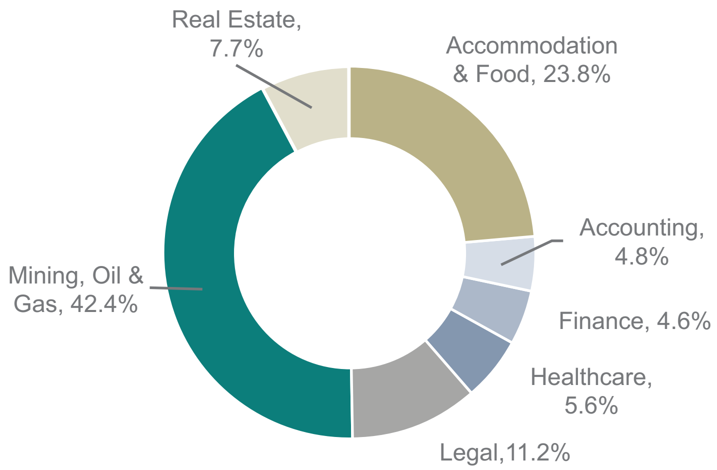
Lease Expiry Profile

The graphs below illustrate the lease expiry profile of Promenade I & II weighted by NLA as of 1 January 2019 and Cash Rental Income for the month of January 2019.



Trade Sector Analysis

The chart below provides a breakdown by Cash Rental Income for the month of January 2019 by trade sector.



Competition

Cushman surveyed 16 competitive office buildings located within the West submarket of San Antonio and were built after 2000. The properties are low to mid-rise office products containing over 70,000 sq ft and are between two and six-storeys high. Average asking rates for competitive office space range from US$19.00 to US$28.00 per sq ft, with an average of US$23.00 per sq ft on a triple net basis. The average vacancy is approximately 9.3%, which is well below the city-wide Class A average of 13.6%.

Promenade I & II are considered Class A offices by market participants based on their quality, condition, and tenancy. Promenade I & II represents an institutionally-owned asset that has been well maintained over the last several years and with its high-quality finishes, commands some of the highest office rental rates in San Antonio. The location of Promenade I & II near single-family residential communities geared towards executive level employees helps it attract white-collar employers such as oil and gas companies, law firms, engineers, and financial service professionals. Promenade I & II is also one of the highest quality office buildings constructed in the local market in the last 20 years. Based on its locational characteristics, project quality and current tenancy, Promenade I & II has a good competitive position in comparison to other comparable buildings within the immediate market.

CROSSPOINT

550 East Swedesford Road, Wayne, Pennsylvania 19087

Property Description

CrossPoint is a four-storey Class A multi-tenanted office building well located along Swedesford Road, in the King of Prussia submarket within the Philadelphia primary market with an NLA of 272,360 sq ft.

CrossPoint shares good proximity to local highways and malls. Route 202 cuts through the south-eastern part of Pennsylvania and passes right by CrossPoint. Regional accessibility includes Interstate 76 which runs across most of the state on the Pennsylvania Turnpike, a toll highway system that extends from the Ohio state line in the west to the New Jersey state line in the east. The surrounding area also enjoys proximity to the King of Prussia Mall, the second largest mall in the U.S., a Walmart Supercenter, and the Village at Valley Forge, a live-work-place development which includes Wegman's, Nordstrom Rack, and LA Fitness. The area is served by commuter bus service, and the property provides as free shuttle service to a nearby commuter rail station and the King of Prussia Town Center.

CrossPoint was originally built in 1974 as two buildings and received significant renovations in 2014 to re-envision it as one building. CrossPoint has high quality finishes throughout with extensive window lines, and provides tenants with a full-service dining facility, conference centre and fitness centre.

CrossPoint is LEED Gold certified.

Summary of Selected Information

The table below sets out a summary of selected information on CrossPoint:

Address	550 East Swedesford Road, Wayne, Pennsylvania
Land Tenure	Freehold
Completion Date	1974
Refurbishment	2014
Occupancy as of 1 January 2019	100.0%
Committed Occupancy as of 1 January 2019	100.0%
Property Manager	CBRE, Inc.
Parking Stalls	1,035
Number of Storeys	4
NLA (sq ft)	272,360
Land Area (sq ft)	1,058,072
Gross Revenue for FY2018 (US$'000)	10,138
Net Property Income for FY2018 (US$'000)	6,666
Annualised Rent per sq ft (US$) as at 1 January 2019 (1)	35.6
Valuation by Cushman as at 31 December 2018 (US$'000)	98,000
Valuation by JLL as at 31 December 2018 (US$'000)	97,400
Number of Tenants as of 1 January 2019	13
WALE by NLA as at 1 January 2019 (years)	5.3
WALE by Cash Rental Income for the month of January 2019 (years)	5.2

Note:

(1) This represents Cash Rental Income and is weighted by NLA.

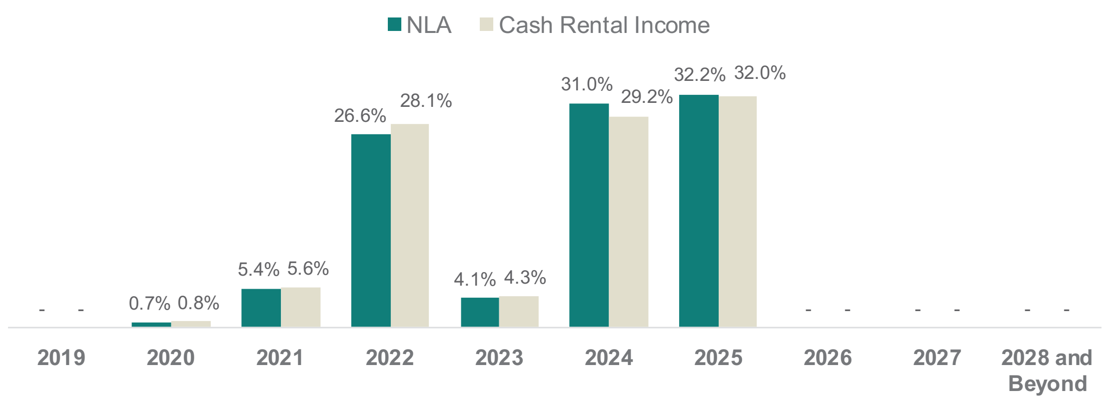
Top 10 Tenants

The table below sets out selected information on the top 10 tenants of CrossPoint by percentage of Cash Rental Income as at 1 January 2019:

Tenant	Trade Sector	% of Cash Rental Income
Teleflex	Healthcare	29.2%
Rovi Corporation	Information Services	23.4%
Medecision	Insurance	9.6%
Lewis Brisbois	Legal	8.6%
Principal Life Insurance	Insurance	7.1%
PTC	Information Services	5.6%
Elemica	Professional Services	5.5%
Corporate Interiors	Professional Services	4.3%
Conestoga Capital Advisors	Finance	2.4%
Insurance Company of the West	Insurance	1.7%
Top 10 Tenants		**97.4%**
Other Tenants		**2.6%**
Total		**100.0%**

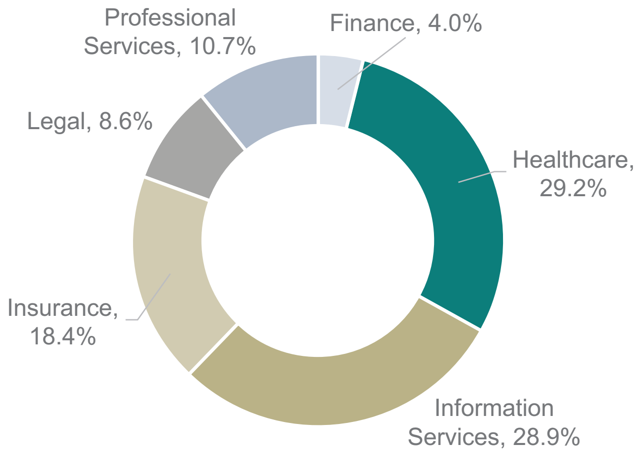
Lease Expiry Profile

The graphs below illustrate the lease expiry profile of CrossPoint weighted by NLA as of 1 January 2019 and Cash Rental Income for the month of January 2019.



Trade Sector Analysis

The chart below provides a breakdown by Cash Rental Income for the month of January 2019 by trade sector.



Competition

Cushman surveyed 6 competitive office properties that are located within the King of Prussia Office submarket, one of the larger suburban submarkets in Philadelphia, and are all Class A properties built between 1973 and 2007. The properties are all between three and eleven-storeys in size and between 121,371 and 298,482 sq ft in size. Average asking rates for competitive office space range from US$38.00 to US$40.00 per sq ft[1], with an average of US$38.84 per sq ft on an equivalent full service plus electric rental basis. Average vacancy is approximately 4.2%, which is well below the metro-area average of 15.5%.

CrossPoint is considered a Class A office building by market participants based on its quality, condition, and tenancy. It benefits from excellent highway access and proximity to the area's amenities, especially the King of Prussia Town Center. The Swedesford Road corridor is among the most highly desired submarkets for both tenants and investors, and the ongoing trend to convert this portion of King of Prussia to a "24/7" destination should enhance this desirability. CrossPoint completed full renovations in 2014, effectively making it the newest building in the market, and it has been able to achieve top-of-the-market rents since then. Based on the subject's locational characteristics, project quality and current tenancy, CrossPoint has a good competitive position in comparison to other comparable buildings within the immediate market.

1 As a few of the comparable buildings are newer and higher quality buildings with higher asking rents, the average asking rates of the competitive office space is higher than the average rent for CrossPoint.

ONE WASHINGTONIAN CENTER

9801 Washingtonian Boulevard, Gaithersburg, Maryland 20878

Property Description

One Washingtonian Center is a 13-storey Class A multi-tenanted office tower located in the submarket of Suburban Maryland (Gaithersburg) within the Washington D.C. Area (Suburban Maryland) primary market with an NLA of 314,284 sq ft. The property is located within the I-270 Corridor, which is a leading bio-tech and medical research market.

One Washingtonian Center is part of the exclusive Washingtonian Center mixed-use project, Gaithersburg's premier lakefront shopping, dining, and entertainment destination. The mixed-use town centre features two Marriott hotels, and 760,000 sq ft of over 50 shopping, dining, and entertainment choices. One Washingtonian Center offers direct on and off access to Interstate 270 as well as the newly constructed InterCounty Connector which connects the Interstate 270/370 corridor and the Interstate 95/US Route 1 corridor.

One Washingtonian Center has undergone exterior and interior improvements from 2013 – 2018 that include roof replacement and renovation of its conference room, lobby, and elevators. Onsite amenities include a café, concierge dry cleaning service, covered parking, and food catering.

One Washingtonian Center is LEED Platinum certified.

Summary of Selected Information

The table below sets out a summary of selected information on One Washingtonian Center:

Address	9801 Washingtonian Blvd, Gaithersburg, Maryland
Land Tenure	Freehold
Completion Date	1989
Refurbishment	2013 - 2018
Occupancy as of 1 January 2019	96.2%
Committed Occupancy as of 1 January 2019	96.3%
Property Manager	Transwestern Carey Winston, L.L.C., dba Transwestern
Parking Stalls	1,222
Number of Storeys	13
NLA (sq ft)	314,284
Land Area (sq ft)	222,156
Gross Revenue for FY2018 (US$'000)	11,919
Net Property Income for FY2018 (US$'000)	7,164
Annualised Rent per sq ft (US$) as at 1 January 2019 (1)	35.4
Valuation by Cushman as at 31 December 2018 (US$'000)	102,000
Valuation by JLL as at 31 December 2018 (US$'000)	102,200
Number of Tenants as of 1 January 2019	15
WALE by NLA as at 1 January 2019 (years)	5.3
WALE by Cash Rental Income for the month of January 2019 (years)	5.4

Note:

(1) This represents Cash Rental Income and is weighted by NLA.

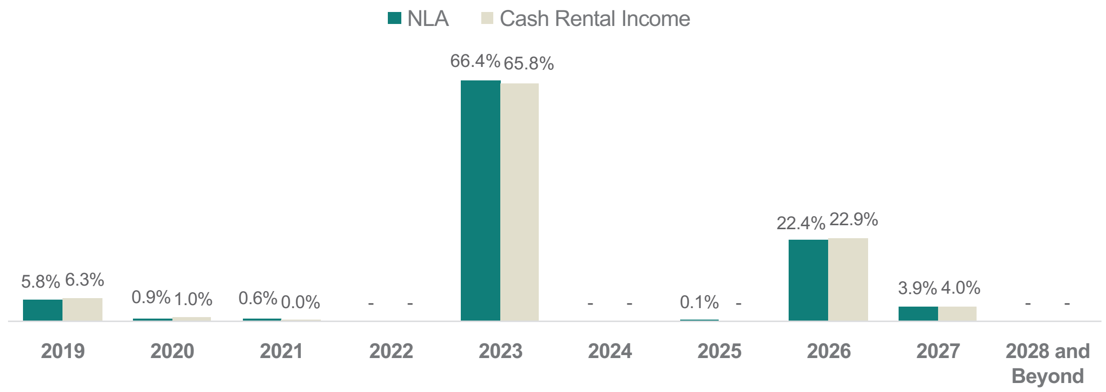
Top 10 Tenants

The table below sets out selected information on the top 10 tenants of One Washingtonian Center by percentage of Cash Rental Income as at 1 January 2019:

Tenant	Trade Sector	% of Cash Rental Income
Sodexo Operations	Accommodation and Food	61.9%
Covance	Scientific R&D	15.2%
Edell, Shapiro and Finnan	Legal	5.9%
Dixon Hughes Goodman	Mining, Oil and Gas	3.9%
Broadsoft	Mining, Oil and Gas	3.0%
Potomac-Hudson Engineering	Professional Services	2.4%
CustomerFirst Renewables	Professional Services	1.6%
Financial Training	Insurance	1.2%
MSCI	Information Services	0.9%
Transwestern – Management Office	Real Estate	0.8%
Top 10 Tenants		**97.0%**
Other Tenants		**3.0%**
Total		**100.0%**

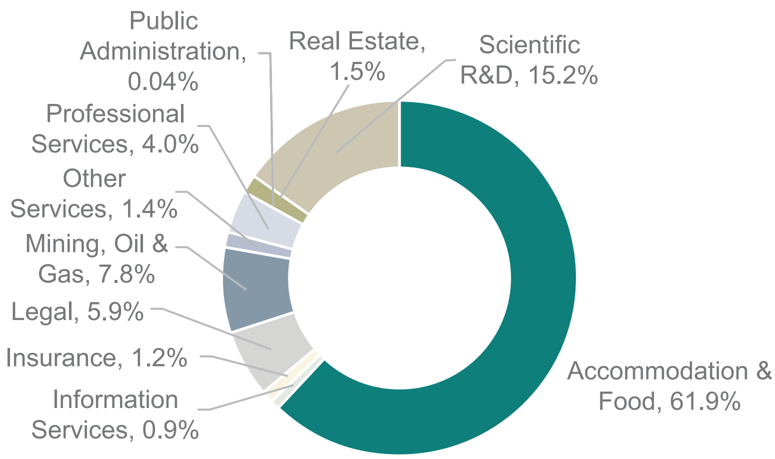
Lease Expiry Profile

The graphs below illustrate the lease expiry profile of One Washingtonian Center weighted by NLA as of 1 January 2019 and Cash Rental Income for the month of January 2019.



Trade Sector Analysis

The chart below provides a breakdown by Cash Rental Income for the month of January 2019 by trade sector.



Competition

Cushman surveyed 24 competitive office properties located within the Suburban Maryland (Gaithersburg) submarket in the Washington metropolitan area built between 1989 and 2014. The region's office market remains a tenant-favoured market, but high-quality office space remains in high demand and as such, the construction of Class A office space is anticipated to continue. The properties are all between three and thirteen-storeys high and 501,000 and 588,891 sq ft in size. Average asking rates for competitive office space range from US$26.50 to US$37.29 per sq ft, with an average of US$31.40 per sq ft on an equivalent full service rental basis. Average vacancy is approximately 20.8%, which is above the county-wide average of 16.6%.

One Washingtonian Center is considered a Class A office building by market participants based on its quality, condition, and tenancy. It benefits from its location in a successful mixed-use community and visibility from Interstate 270. In addition, One Washingtonian Center is located within the community of Gaithersburg, which has a significant household base that support professional and financial services and healthcare-related office tenancy. One Washingtonian Center also benefits from being located near major thoroughfares and public transportation with good accessibility from surrounding markets. Its immediate market reflects a competitive supply of available office space with stable rental rates. Based on its locational characteristics, project quality and current tenancy, One Washingtonian Center has a good competitive position in comparison to other comparable buildings within the immediate market.

RESTON SQUARE

11790 Sunrise Valley Drive, Reston, Virginia 20191

Property Description

Reston Square is a six-story Class A multi-tenanted office building located in the Reston-Herndon submarket of Suburban Virginia (Reston) within the Washington D.C. Area (Suburban Virginia) primary market with an NLA of 138,995 sq ft.

Reston Square is part of the Reston Heights mixed-use development which features two branded hotels and enjoys proximity to local neighbourhood amenities such as Reston Town Center and the future Reston Town Center Metrorail station. It is within ten miles of Washington Dulles International Airport.

Reston Square features onsite amenities which include a fitness centre with private lockers, EV car charging stations, and a coffee bar. It also has a desirable frontage and visibility along the Dulles Toll Road which offer tenants signage opportunities. Improvements such as garage repairs to correct defects and water infiltration and the addition of the tenant coffee bar were undertaken in 2015 and have been completed.

Reston Square is LEED Silver certified.

Summary of Selected Information

The table below sets out a summary of selected information on Reston Square:

Address	11790 Sunrise Valley Drive, Reston, Virginia
Land Tenure	Freehold
Completion Date	2007
Refurbishment	2015
Occupancy as of 1 January 2019	96.9%
Committed Occupancy as of 1 January 2019	96.9%
Property Manager	Transwestern Carey Winston, L.L.C., dba Transwestern
Parking Stalls	704
Number of Storeys	6
NLA (sq ft)	138,995
Land Area (sq ft)	84,997
Gross Revenue for FY2018 (US$'000)	5,961
Net Property Income for FY2018 (US$'000)	3,830
Annualised Rent per sq ft (US$) as at 1 January 2019 (1)	44.1
Valuation by Cushman as at 31 December 2018 (US$'000)	52,100
Valuation by JLL as at 31 December 2018 (US$'000)	49,900
Number of Tenants as of 1 January 2019	7
WALE by NLA as at 1 January 2019 (years)	4.6
WALE by Cash Rental Income for the month of January 2019 (years)	4.5

Note:

(1) This represents Cash Rental Income and is weighted by NLA.

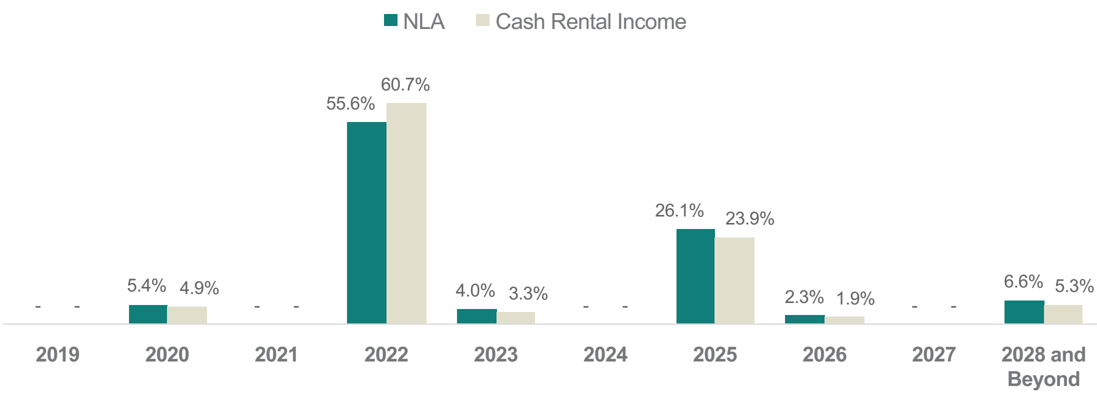
Top 10 Tenants

The table below sets out selected information on the tenants of Reston Square by percentage of Cash Rental Income as at 1 January 2019:

Tenant	Trade Sector	% of Cash Rental Income
Whitney, Bradley & Brown	Professional Services	59.9%
SES Government Solutions	Communications	23.9%
The Washington Group	Professional Services	5.3%
The E Group	Professional Services	4.9%
Gulick Group	Real Estate	3.3%
Smile Wonders	Healthcare	1.9%
Blankingship & Christiano	Legal	0.9%
Total		**100.0%**

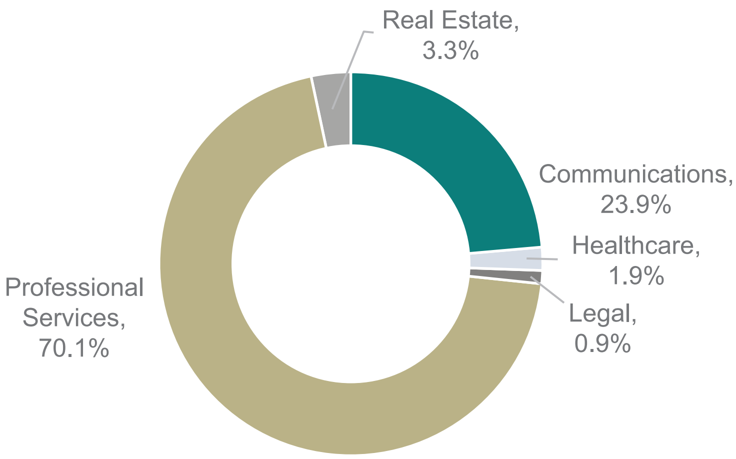
Lease Expiry Profile

The graphs below illustrate the lease expiry profile of Reston Square weighted by NLA as of 1 January 2019 and Cash Rental Income for the month of January 2019.



Trade Sector Analysis

The chart below provides a breakdown by Cash Rental Income for the month of January 2019 by trade sector.



Competition

Cushman surveyed 21 competitive office properties located within the Suburban Virginia (Reston) submarket with proximity to the Dulles Toll Road and the Reston Parkway interchange, and are all built between 1974 and 2008. The Reston-Herndon submarket is one of the top real estate submarkets in the entire DC Metro region. The region's top companies are choosing the submarket for their headquarters locations and massive office requirements. The properties are mid-rise office buildings that are all between three and 15-storeys high and are between 44,504 and 497,142 sq ft in size. Actual leases signed at these competitive buildings range in rents from US$31.00 to US$44.00 per sq ft, with an average of US$37.42 per sq ft on a full-service basis. Average vacancy is approximately 16.6%, which is higher than the submarket-area average of 15.3%. However, this includes International Tower at Reston Heights and Reston Corner I & II, of which both properties are currently undergoing a renovation program. Excluding these two buildings results in the vacancy rate dropping to 14.8%, which is lower than the submarket average.

Reston Square is considered a Class A office building by market participants based on its quality, condition, and tenancy. Local area accessibility is excellent with easy access to Washington, D.C. and Tysons Corner via The Dulles Toll Road. Reston Square will benefit from the completion of the Reston Town Center Metrorail Station in 2020. In addition, Reston Square is situated within a high quality mixed-use development, Reston Heights, which features two branded hotels and proximity to new multifamily developments. Based on its locational characteristics, project quality, and current tenancy, Reston Square has a good competitive position in comparison to other comparable buildings within the immediate market.

171 17TH STREET

171 17th Street NW, Atlanta, Fulton Country, Georgia 30363

Property Description

171 17th Street is a 22-storey Class A multi-tenanted office building located in the Midtown/Pershing/Brookwood submarket within the Atlanta primary market and the master planned mixed use development of Atlantic Station with an NLA of 510,268 sq ft. The Atlanta CBSA continues to have an influx of residents moving back in the extended Midtown/Downtown submarket creating appeal for the location as a work destination.

171 17th Street benefits from easy access to Interstate 75 and Interstate 85 heading from Georgia to Tennessee and from Alabama to North Carolina, respectively. Interstate 75 provides access to Interstate 20, Interstate 575, Interstate 675, and bisects Interstate 285 while Interstate 85 provides access to Interstate 20, Georgia Highway 400, and bisects Interstate 285. Driving off the interstates, there are many secondary roads that lead to shopping centres, restaurants, and residential communities. 171 17th Street is also accessible through the MARTA system which spans 48 miles through 38 stations and 5 lines. Additionally, 171 17th Street is in close proximity to Hartsfield Jackson International Airport.

171 17th Street was completed in 2003 and has attractive finishes and amenities for the market, onsite amenities include café, conference centre and shuttle service.

171 17th Street is LEED Platinum certified.

Summary of Selected Information

The table below sets out a summary of selected information on 171 17th Street:

Address	171 17th Street, Atlanta, Georgia
Land Tenure	Freehold
Completion Date	2003
Refurbishment	N/A
Occupancy as of 1 January 2019	100.0%
Committed Occupancy as of 1 January 2019	100.0%
Property Manager	Cushman & Wakefield U.S., Inc.
Parking Stalls	1,200
Number of Storeys	22
NLA (sq ft)	510,268
Land Area (sq ft)	29,621
Gross Revenue for FY2018 (US$'000)	19,691
Net Property Income for FY2018 (US$'000)	12,258
Annualised Rent per sq ft (US$) as at 1 January 2019 (1)	34.9
Valuation by Cushman as at 31 December 2018 (US$'000)	180,000
Valuation by JLL as at 31 December 2018 (US$'000)	173,000
Number of Tenants as of 1 January 2019	18
WALE by NLA as at 1 January 2019 (years)	5.5
WALE by Cash Rental Income for the month of January 2019 (years)	5.6

Note:

(1) This represents Cash Rental Income and is weighted by NLA.

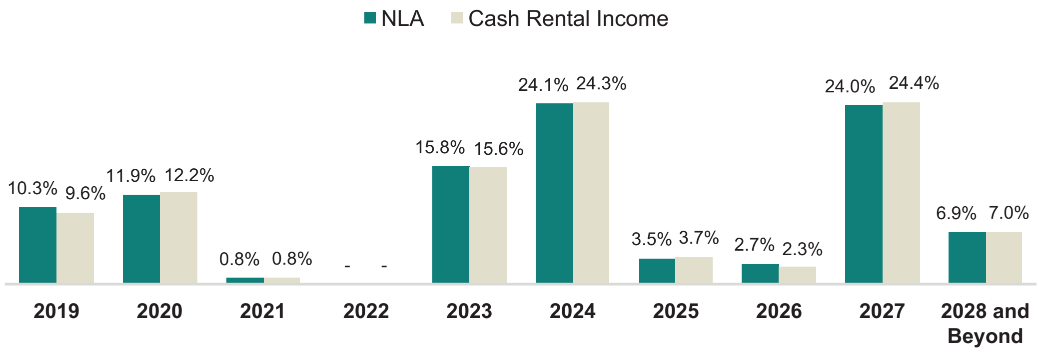
Top 10 Tenants

The table below sets out selected information on the top 10 tenants of 171 17th Street by percentage of Cash Rental Income as at 1 January 2019:

Tenant	Trade Sector	% of Cash Rental Income
Wells Fargo Bank	Finance	31.6%
Arnall Golden Gregory	Legal	24.5%
Burr & Forman	Legal	9.5%
Georgia Tech Research	Information Services	7.5%
DTZ	Real Estate	5.0%
Mindbody	Information Services	3.7%
Carter & Associates / Jackson Lewis	Real Estate	3.4%
HBA International	Real Estate	3.1%
H.J. Russell & Company	Real Estate	2.7%
Thrive Senior Living	Healthcare	2.0%
Top 10 Tenants		**93.2%**
Other Tenants		**6.8%**
Total		**100.0%**

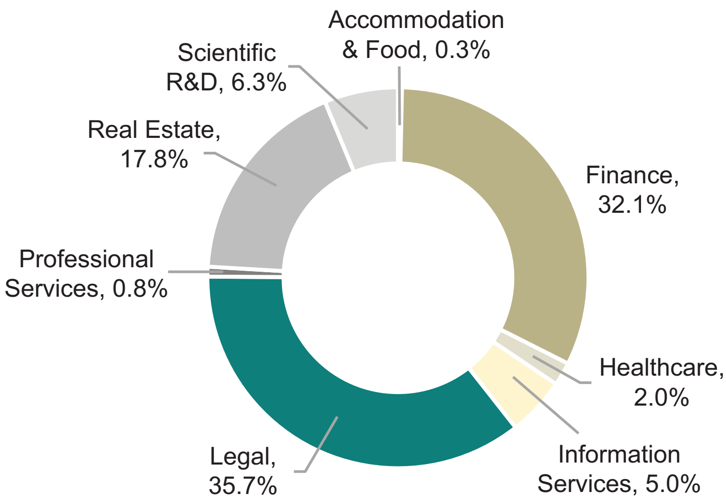
Lease Expiry Profile

The graphs below illustrate the lease expiry profile of 171 17th Street weighted by NLA as of 1 January 2019 and Cash Rental Income for the month of January 2019.



Trade Sector Analysis

The chart below provides a breakdown by Cash Rental Income for the month of January 2019 by trade sector.



Competition

Cushman surveyed 13 competitive office buildings located within the immediate Midtown vicinity and are all built between 1999 and 2014. This area is one of the most desirable in the entire Atlanta metropolitan area and demand for office space continues to increase. The properties are all between seven and 41-storeys high and range from 160,000 to 762,804 sq ft in size. Average asking rates for competitive office space range from US$35.00 to US$55.00 per sq ft[1], with an average of US$42.62 per sq ft on an equivalent full service rental basis. Average vacancy is approximately 4.7%, which is well below the city-wide average of 16.8%. The region experienced an upward trend in rental rates over the previous years and over the next five years, the rental rates are expected to increase.

171 17th Street is a Class A office building due to its quality, condition, and tenancy. It benefits from being located within a master-planned development located in a well-established submarket centrally located along Interstate-75/85, proximate to primary demand generators and local area amenities. In addition, 171 17th Street is located within the submarket of Midtown, which has a significant household base that supports professional and financial services for office tenancy. 171 17th Street also benefits from being located near major thoroughfares and public transportation with good accessibility from surrounding markets. 171 17th Street offers adequate amenities that are attractive to prospective tenants as evidenced by its current tenancy. Based on its locational characteristics, project quality and current tenancy, 171 17th Street has a good competitive position in comparison to other comparable buildings within the immediate market.

[1] As 171 17th Street has a few tenants with significantly below market rents, this has resulted in the average asking rates of the competitive office space being higher than the average rent for 171 17th Street.

Management and Leasing Activities

The Property Managers and Leasing Managers provide quality leasing and management services to the Properties. The Leasing Agents are responsible for the marketing, market guidance of appropriate terms, identification and negotiations with prospective tenants and negotiations with renewal tenants. The Property Managers are responsible for the day to day management of the Properties, including but not limited to, property maintenance of the Properties and associated equipment, tenant relationships, rent collections and vendor contracts for property maintenance and payment of all operating expenses. This helps Prime US REIT to maximise rental returns, achieve long term capital appreciation and maintain its brand position and market leadership in the respective asset. Parent U.S. REIT and the Property Holding LLCs will oversee the Property Managers' activities and monitor its performance.

The Properties will be actively marketed by the Property Managers and Leasing Managers to prospective tenants in desired target groups through direct calls and liaising with property consultants. Prospective tenants and their consultants are also regularly updated with information on the available units for rental at each of the Properties. Viewings of the premises will be conducted regularly by the Property Managers and Leasing Managers with prospective tenants to market vacant units.

The Property Managers will seek to maintain good working relationships with existing tenants and will meet with them regularly. Dialogues and meetings for lease renewal will be held with tenants ahead of their lease expiry. The Property Managers will operate a comprehensive tenancy retention program targeting tenants with long-term appeal well before the expiry of their leases to ensure, where possible, certainty of long-term occupancy. For major tenants which are able to project their space requirements well in advance, the lease renewal process is typically initiated more than two years before the lease expiry. In addition, the Property Managers will seek to refresh the tenant mix for the Properties as appropriate.

Arrears management procedures will also be enforced to ensure timely payment of rent. The Manager believes that these proactive steps to retain tenants and reduce rental in arrears will help maintain a stable income stream for Prime US REIT.

Lease Agreements

The Manager believes that the terms of the lease agreements entered into for the IPO Portfolio are generally in line with generally accepted market practice and procedures for comparable tenants at comparable properties. Rental rates under the leases generally increase each year by an agreed amount or based upon an agreed formula set forth in the leases. In certain instances, these terms have been varied to accommodate the specific needs of major tenants such as the provision of a rent-free fitting out period.

When a prospective tenant has committed to a lease, a security deposit in the form of cash or letter of credit may be payable or required, subject to negotiations. Depending on the credit quality of the tenant, the amount of the security deposit may be increased or decreased or reduced over the term of the lease (provided there have been no defaults), or the requirement for a security deposit may be waived or alternative security provided in the form of a parent guarantee. Tenants will generally take possession of the premises after they have made the requisite payments and have formally executed the lease agreement. Rent and tenants' share of operating expenses and taxes are typically payable in advance on a monthly basis.

The leases entered into in relation to the IPO Portfolio will generally be a triple net lease, full service gross lease, modified gross lease or an absolute net lease. A triple net lease is a lease agreement whereby the tenant pays base rent and all real estate taxes, building insurance and property expenses. A full service gross lease is a lease agreement whereby the tenant pays base rent and all increases in real estate taxes, building insurance and property expenses above a base year (typically the first year base rent includes these costs). A modified gross lease is similar to a full service gross lease, however, the tenant will pay 100% of a certain operating expense, typically electrical or janitorial, and the specific expense will be excluded from their base year operating expenses. An absolute net lease is a lease agreement whereby the tenants is responsible to pay base rent and all expenses including structural maintenance.

ENCUMBRANCES

Upon listing, Prime US REIT will have the Loan Facilities in place in relation to the Properties. The following Loan Facilities will be in place upon listing:

(i) a three-year revolving loan facility of up to US$100.0 million of which approximately US$67.2 million will be drawn. The borrower of this facility will be Prime US-Lower Tier, LLC, which has pledged its equity interest in each of the Property-Tier US, LLCs.;

(ii) a four-year term loan facility of US$140.0 million. The borrower of this facility will be Prime US-Lower Tier, LLC, which has pledged its equity interest in each of the Property-Tier US, LLCs.;

(iii) a five-year term loan facility of US$140.0 million. The borrower of this facility will be Prime US-Lower Tier, LLC, which has pledged its equity interest in each of the Property-Tier US, LLCs.; and

(iv) the term loan facility of US$105.0 million, secured by 222 Main. The borrower of this facility will be Prime US-222 Main, LLC, and the facility will be secured by the 222 Main property.

CAPITAL EXPENDITURES

The Manager estimates that the total capital expenditure (excluding tenant improvement allowances and leasing costs) for the Forecast Period 2019 and Projection Year 2020 is budgeted at US$3.9 million in the Forecast Period 2019 and US$2.3 million in the Projection Year 2020.

(See "Profit Forecast and Profit Projection – Assumptions – Capital expenditures, tenant improvement allowances and lease commission" for further details.)

RECORDING AND TITLE INSURANCE

In the United States, fee simple title to real property is transferred by delivery of a deed (the form of which varies by state). The recordation of a deed is not necessary to accomplish a transfer of title between the parties to a deed. However, a purchaser's title will generally not be enforceable against third parties (as opposed to the applicable seller) until the deed is recorded in the proper local county or city recording office ("**Recording Authority**" and collectively, the "**Recording Authorities**"). The recording of a deed in the office of a Recording Authority is an administrative process. Recording Authorities generally do not have discretion to refuse to record a deed so long as the deed is in recordable form (varies by state), has been properly signed and notarised, and all taxes and other recording fees are paid.

Specifically, the vendors' (individually, a "**Vendor**," and collectively "**Vendors**") titles to the Properties in the IPO Portfolio will be transferred from the Vendors to the Property Holding

LLCs upon delivery of the executed deeds from the respective Vendor to the respective Property Holding LLCs pursuant to the Portfolio Purchase and Sale Agreement. Each deed will be recorded with the applicable Recording Authority. Each of the Property Holding LLCs will obtain all of the applicable Vendor's title to the applicable Property upon the delivery of the deed for such Property to such Property Holding LLCs, which will occur prior to the completion of the recording of such deed with the applicable Recording Authority. For the avoidance of doubt, the recording of the deeds with the relevant Recording Authorities is not necessary to complete the transfer of the Vendors' titles to the Properties in the IPO Portfolio.

The title company selected by the Vendors and the Property Holding LLCs and to be named in the Portfolio Purchase and Sale Agreement (the "**Title Insurance Company**") will be issuing a separate title insurance policy to each of the purchasing Property Holding LLCs for the applicable Property in the IPO Portfolio. Commonwealth Land Title Insurance Company, will serve as the Title Insurance Company. The maximum amount to be insured under the title insurance policy for each Property will be equal to the corresponding purchase price for such Property as set forth in the Portfolio Purchase and Sale Agreement. Each title insurance policy will remain in effect for as long as the relevant Property Holding LLCs retains ownership of the Property.

The transfers of the Vendors' titles to the Properties are expected to take place prior to the listing of Prime US REIT on the Main Board of the SGX-ST on the Listing Date (the "**Closing Date**") by way of an escrow closing (the "**Closing**") coordinated through the Title Insurance Company. The Vendors and the purchasing Property Holding LLCs will deliver all relevant documents and funds in respect of each Property to the Title Insurance Company to be held in escrow on or before the Closing Date. The Title Insurance Company will review the relevant deeds to confirm that they are sufficient to transfer the Vendor's title to the corresponding Property. The purchase price for each Property will also be transferred by the purchasing Property Holding LLCs to an escrow account controlled by the Title Insurance Company retained to administer the closing escrow of the applicable Property. The Title Insurance Company will be responsible for releasing the funds to the Vendors once the Title Insurance Company is satisfied with the documents delivered to it by the Vendors and the purchasing Property Holding LLCs and that all conditions precedent to the Title Insurance Company's obligation to issue each title insurance policy have been satisfied. However, as the purchase price would need to be placed in the escrow account controlled by the Title Insurance Company prior to the Listing Date, a portion of the aggregate purchase price for the Properties will be partially financed through the Joint Bookrunners pre-funding part of the proceeds raised from the Offering and the Cornerstone Units.

The Closing will occur once the Title Insurance Company are satisfied that:

- all relevant documents for the transfers of the relevant titles have been received in proper form and fully executed;

- all conditions precedent specified by the Vendors and the Property Holding LLCs to the release and recordation of all relevant documents for the transfers of the relevant titles have been satisfied;

- all conditions precedent to the Title Insurance Company's obligations to issue their respective title insurance policies have been satisfied; and

- the Vendors and the purchasing Property Holding LLCs have given their authorisation to close,

provided that the Manager has not communicated to the Title Insurance Company prior to the listing of Prime US REIT on the Main Board of the SGX-ST that listing would not occur.

In connection with the Closing, the Title Insurance Company will execute a legally binding and enforceable escrow agreement whereby the Title Insurance Company will irrevocably commit to issue a title insurance policy to the applicable Property Holding LLC in the form of the title commitment or the pro forma title policy attached to such escrow agreement upon the satisfaction of the conditions set forth in the escrow agreement. For the avoidance of doubt, notwithstanding that the final title insurance policies will not be issued at the Closing, each Property Holding LLC will be entitled to the benefits of the coverage provided by the applicable title insurance policy for the relevant Property upon Closing. The accepted custom and practice is for title insurance companies to issue their title insurance policies after the applicable deeds have been recorded. However, for the avoidance of doubt, the recording of the deed is not a condition precedent to the applicable Property Holding LLCs receiving the benefit of the coverage provided by the applicable title insurance policy for the affected Property. In the event that any deed is not recorded, the applicable Property Holding LLCs would still receive the Vendor's title for the affected Property, as well as the benefit of the coverage provided by the title insurance policy for such Property, with effect from the Closing Date. The Manager will update Unitholders on the status of the recording of the title deeds with the Recording Authorities through announcements on SGXNET.

The recording and title transfer process for the Properties as described above is summarised below:

- **Step 1**: The Title Insurance Company will execute an enforceable escrow agreement governing the handling of the documents and funds which they will receive in connection with the Closing. The escrow agreement will irrevocably commit the Title Insurance Company upon Closing to release funds and issue their title insurance policies.

- **Step 2**: All relevant documents and funds in respect of each Property, including the deed and the purchase price, will be delivered to the Title Insurance Company to be held in escrow pursuant to the terms of the escrow agreement.

- **Step 3**: The Title Insurance Company will review the closing documents and confirm that all the conditions precedent for the transfer of title and for the issuance of their title insurance policies have been satisfied.

- **Step 4**: Upon receiving final authorisations from the Vendors and the Property Holding LLCs, the Title Insurance Company will release the documents and funds from escrow; the Closing takes place and title is transferred to the Property Holding LLCs.

- **Step 5**: Upon Closing, and in accordance with the terms of the escrow agreement, the Property Holding LLCs will have the benefit of the coverage provided by their title insurance policies which the Title Insurance Company has already irrevocably committed to issue.

- **Step 6**: The Title Insurance Company will record the deeds with the relevant Recording Authorities and the title insurance policies, which are to be in the agreed forms provided in the escrow agreement executed by the Title Insurance Company, will be issued after the applicable deeds have been recorded and the relevant recording information has been included. The length of time it takes to record a deed can vary depending on the work load and practices of the applicable Recording Authorities. It is expected that the majority of the deeds will be recorded on the day after the Closing Date.

- **Step 7**: It is expected that Closing would take place prior to the listing of Prime US REIT on the Main Board of the SGX-ST on the Listing Date.

An exact timeline of the recording and title transfer process for the Properties cannot be provided as circumstances outside of the parties' control may affect the exact timing of each step. However, assuming Step 1 occurs at Time T, it would be expected that most commercial real estate transactions would reach Step 6 by (T+10 days), although the actual delivery of the title insurance policies will likely occur after "T+10" days.

INSURANCE

Prime US REIT has insurance coverage for the Properties that the Manager believes are consistent with industry practice in the United States. The insurance coverage includes property insurance covering loss or damage caused by fire, windstorm, terrorism, business interruption resulting from such loss or damage, and public liability (including personal injury). There are no significant or unusual excess or deductible payments required under such policies. All insurances contracts periodically undergo a competitive bid process. The Property Manager, directly or through insurance brokers, will identify requirements, create specifications and evaluate bids with a view to determining the most appropriate coverage and pricing.

There are, however, certain types of risks that are not covered by such insurance policies, including acts of war, intentional or dishonest acts, inherent vice or normal wear and tear, nuclear reaction or radio-active contamination, asbestos, contamination or other long-term environmental impairments.

(See "Risk Factors – Risks Relating to the Properties – Prime US REIT may not be able to put in place or maintain adequate insurance in relation to the Properties and its potential liabilities to third parties or may suffer material losses in excess of insurance proceeds" for further details.)

LEGAL PROCEEDINGS

None of Prime US REIT and the Manager is currently involved in any material litigation nor, to the best of the Manager's knowledge, in any material litigation currently contemplated or threatened against Prime US REIT or the Manager.

THE MANAGER AND CORPORATE GOVERNANCE

THE MANAGER OF PRIME US REIT

The Manager, KBS US Prime Property Management Pte. Ltd., was incorporated in Singapore under the Companies Act on 26 July 2018. It has an issued and paid-up capital of US$1,000,010 comprising of 1,000,000 ordinary shares and 10 non-voting convertible preference shares. Its principal place of business is located at 1 Raffles Place, #40-01 One Raffles Place, Singapore 048616 and its telephone number is +65 6951 8090. The Manager is jointly owned by KAP, KC Two and Experion. As at the date of this prospectus, KAP holds a 60.0% stake in the Manager and 10 non-voting convertible preference shares, KC Two holds a 30.0% stake in the Manager and Experion holds a 10.0% stake in the Manager, and shortly after the Listing Date, KAP will complete the sale of three non-voting convertible preference shares to KC Two and one non-voting convertible preference share to Experion. Times Properties Private Limited has on 28 June 2019 entered into a call option agreement with KAP to acquire from KAP a 20% stake in the Manager after the Listing Date. The acquisition of the 20% stake in the Manager is subject to the approval of the MAS. If Times Properties Private Limited exercises its call option and the MAS approves the acquisition by Times Properties Private Limited of the 20% stake in the Manager, the resultant shareholders of the Manager would be KAP (40%), KC Two (30%), Times Properties Private Limited (20%) and Experion (10%). The Manager has entered into an outsourcing arrangement with KBS RA for its investments, asset management, capital management, internal audit, human resources, information technology, accounting and compliance support in the U.S. and with KCI for its human resource, information technology and compliance support in Singapore. The Manager has been issued a CMS Licence pursuant to the SFA on 4 July 2019.

Pursuant to an agreement entered into between the shareholders of KAP, in the event that any shareholders of KAP are unable to continue to be an indirect shareholder of the Manager due to regulatory restrictions, (i) such shareholder shall transfer its interest in KAP to another person or entity; (ii) in the event that such transferee is related to the transferring shareholder, the transferee will abstain from all voting matters which requires the approval of the shareholders of KAP; and (iii) if a nominee of the shareholder is on the Board of the Manager, such shareholder would resign from the Board of the Manager.

Management Reporting Structure

Board of Directors
Charles J. Schreiber, Jr. (Non-Independent Non-Executive Chairman)
Chua Hsien Yang (Non-Independent Non-Executive Director)
Tan Ser Ping (Lead Independent Non-Executive Director)
Professor Annie Koh (Independent Non-Executive Director)
Cheng Ai Phing (Independent Non-Executive Director)

Chief Executive Officer/ Chief Investment Officer
Barbara Cambon

Chief Financial Officer
Sandip Talukdar

Financial Controller
Goo Liang Yin

Board of Directors of the Manager

The Board is entrusted with the responsibility for the overall management of the Manager. The following table sets forth certain information regarding the directors of the Manager:

Name	Age	Address	Position
Charles J. Schreiber, Jr.	67	1 Raffles Place #40-01 One Raffles Place Singapore 048616	Chairman and Non-Independent Non-Executive Director
Chua Hsien Yang	41	1 Raffles Place #40-01 One Raffles Place Singapore 048616	Non-Independent Non-Executive Director
Tan Ser Ping	60	1 Raffles Place #40-01 One Raffles Place Singapore 048616	Lead Independent Non-Executive Director
Professor Annie Koh	65	1 Raffles Place #40-01 One Raffles Place Singapore 048616	Independent Non-Executive Director
Cheng Ai Phing	62	1 Raffles Place #40-01 One Raffles Place Singapore 048616	Independent Non-Executive Director

Listed Company Experience

Pursuant to Rule 210(5)(a) of the Listing Manual, a director who has no prior experience as a director of an issuer listed on the SGX-ST ("**First-time Director**") must undergo mandatory training with the Singapore Institute of Directors in the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST, by the end of the first year of Prime US REIT's listing ("**Mandatory Training**"). In this regard, Mr Charles J. Schreiber, Jr. and Mr Chua Hsien Yang are considered to be First-time Directors and they will attend Mandatory Training within the period permitted under the Listing Manual.

The appropriate orientation session has been conducted to orientate the directors of the Manager in acting as a director of a manager of a public-listed REIT. The Board collectively has the appropriate experience to act as the directors of the Manager and is familiar with the rules and responsibilities of a director of a public-listed company and/or manager of a public-listed REIT.

Family Relationship

Save for Charles J. Schreiber, Jr. who (together with other family members) is an indirect substantial shareholder of the Manager, none of the directors of the Manager are related to one another, any substantial shareholder of the Manager or any Substantial Unitholder.

Independent Directors

None of the independent directors of the Board sits on the boards of the principal subsidiaries of Prime US REIT that are based in jurisdictions other than in Singapore. Each of the Independent Directors of the Manager confirms that they are able to devote sufficient time to discharge their duties as an Independent Director of the Manager. The Board is of the opinion that the Independent Directors are able to devote sufficient time to discharge their duties as Independent Directors of the Manager.

Experion shall have a right, exercisable after the Listing Date, to nominate one non-executive director on the Board, subject to:

(a) such appointment of non-executive director being approved by the MAS; and

(b) the appointment of such non-executive director being in compliance with all applicable laws, regulations and guidelines (including but not limited to, the Property Funds Appendix, the Listing Manual and the Code of Corporate Governance 2018), including, but not limited to, such requirements relating to the membership and compositions of the board (specifically the requirement relating to the number of independent directors on the board).

Subject to Times Properties Private Limited exercising its call option and MAS' approval of its acquisition of the 20% stake in the Manager, Times Properties Private Limited shall have a right, exercisable after the Listing Date, to nominate one non-executive director on the Board, subject to:

(a) such appointment of non-executive director being approved by the MAS; and

(b) the appointment of such non-executive director being in compliance with all applicable laws, regulations and guidelines (including but not limited to, the Property Funds Appendix, the Listing Manual and the Code of Corporate Governance 2018), including, but not limited to, such requirements relating to the membership and compositions of the board (specifically the requirement relating to the number of independent directors on the board).

Should Experion and/or Times Properties Private Limited decide to appoint a non-executive director, pursuant to the Code of Corporate Governance 2018, the Manager will also have to appoint additional independent director(s) to join the Board such that independent directors make up a majority of the Board taking into account that the Chairman is non-independent.

Experience and Expertise of the Board of Directors of the Manager

Information on the business and working experience of the directors of the Manager is set out below:

Mr Charles J. Schreiber Jr. is a Non-independent non-executive Chairman of the Manager.

Mr Schreiber is the co-founder and CEO of KBS RA and KBS CA. Mr Schreiber oversees the operations of KBS RA and KBS CA. Mr Schreiber is also responsible for overseeing the investor relations group. As of 31 December 2018, KBS RA, together with KBS affiliates, including KBS CA, had been involved in the investment in or management of approximately US$25.9 billion of real estate investments on behalf of institutional investors, including public and private pension plans, endowments and foundations, institutional and sovereign wealth funds, and the investors in KBS-sponsored REITs.

Mr Schreiber has been involved exclusively in real estate development, management, acquisition, disposition and financing for more than 45 years. Prior to forming the first KBS investment adviser in 1992, he served as the executive vice president of Koll Investment Management Services and executive vice president of acquisitions and dispositions for The Koll Company. Mr. Schreiber graduated from the University of Southern California ("**USC**") with a bachelor's degree in finance with an emphasis in real estate. During his four years at USC, he did graduate work in the Real Estate Department of the USC Graduate School of Business. He is currently an executive board member for the USC Lusk Center for Real Estate at the Marshall School of Business/School of Policy, Planning and Development. Mr. Schreiber is also a member of the Executive Committee for the Public Non-Listed REIT Council of National Association of Real Estate Investment Trusts (NAREIT) and the National Council of Real Estate Investment Fiduciaries (NCREIF).

Mr Schreiber has served as a member of the board of directors and executive committee of The Irvine Company since August 2016, and since December 2016, Mr. Schreiber has served on the Board of Trustees of The Irvine Company.

Mr Schreiber also serves as Chairman of the Board, Chief Executive Officer and a director for each of KBS Real Estate Investment Trust II, Inc., KBS REIT III and KBS Growth & Income REIT, Inc.. He is the former Chairman of the Board, Chief Executive Officer and director of KBS Real Estate Investment Trust, Inc.

Mr Chua Hsien Yang is a Non-independent non-executive director of the Manager.

Mr Chua is the Chief Executive Officer of Keppel DC REIT Management Pte. Ltd., the manager of Keppel DC REIT. Mr Chua has extensive experience in real estate funds management and the hospitality industries, with more than 17 years of experience in mergers and acquisitions, real estate investments, fund management, business development and asset management in the real estate sector within the Asia Pacific region.

Prior to joining Keppel DC REIT Management Pte. Ltd., Mr Chua held the position of Senior Vice President of Keppel REIT Management Limited, the manager of Keppel REIT, since May 2008, where he headed the investment team.

From January 2006 to April 2008, Mr Chua was with Ascott Residence Trust Management Limited, the manager of Ascott Residence Trust, as Director of Business Development and Asset Management. From October 2001 to December 2005, Mr Chua was with Hotel Plaza Limited (now known as Pan Pacific Hotels Group Limited) as Assistant Vice President of Asset Management where he was responsible for the business development and asset management activities of the group-owned properties.

Mr Chua holds a Bachelor of Engineering (Civil) from the University of Canterbury and a Master of Business Administration from the University of Western Australia.

Mr Tan Ser Ping is the Lead Independent non-executive director of the Manager.

Mr Tan founded Stanway Capital in 2017 after he retired from the position of CEO of Ascendas Funds Management (S) Limited, the manager of Ascendas Real Estate Investment Trust ("**A-REIT**"). Stanway Capital is focused on real estate investment.

A-REIT is Singapore's first and largest listed business space and industrial real estate investment trust and is a constituent member of the FT-STI index since June 2014. During his tenure as CEO of A-REIT from 2004 to March 2016, total assets of A-REIT grew from S$1 billion in 2004 to S$9.8 billion upon his retirement in March 2016. Mr Tan was awarded the Institutional Investor All Asia Executive Team Best CEO for Property Sector (2013 by sell-side analysts, 2011 by buy-side analysts) and SIAS / Brendan Woods TopGun CEO 2012.

Prior to that, he was the Executive Vice President of Real Estate Development & Investment (REDI) of Ascendas Pte Ltd. He was responsible for formulating REDI policies, strategies and plans across all country operations and developing new product offerings and markets for Ascendas Group.

Before joining Ascendas in 2001, Mr Tan was Senior General Manager at Singapore Suzhou Industrial Park Development Company Ltd, Residential & Commercial Business Group (1998 to 2000) and Industrial Property Business Group (1994 to 1998).

Mr Tan Ser Ping graduated with a Bachelor of Accountancy (Honours) from the National University of Singapore and a Master of Business Administration from the University of Leicester (United Kingdom).

Professor Annie Koh is an Independent Non-Executive Director of the Manager.

Professor Koh is an Assistant Professor to the Practice Professor of Finance at Singapore Management University.

In addition, she is a member of the Government Technology Agency of Singapore board, and has been an appointed board member of Singapore's Central Provident Fund since 2012. Professor Koh has also been the lead independent director of Health Management International Ltd since 2016.

A Fulbright scholar, Annie earned her PhD in International Finance from Stern School of Business, New York University (1988). Her research interests are in Family Office and Family Business, Investor Behaviour, Alternate Investments and Enterprise Risk Management. She co-authored Financial Management: Theory and Practice, An Asia Edition (2014), and Financing Internationalisation – Growth Strategies for Successful Companies (2004), and is the author of a number of Asian family business cases and survey reports.

Professor Koh was awarded the Singapore Public Administration Medal, Bronze (2010), Silver (2016), and the Adult Education Prism Award (2017) for her contributions to the education and public sectors.

Ms Cheng Ai Phing is an Independent Non-Executive Director of the Manager.

Ms Cheng is an Executive Director and a member of GIG Consulting Pte Ltd which provides consulting services, and a Non- Executive Partner of Aric Partners LLP, an accounting firm which provides taxation, accounting, corporate and consulting services.

Ms Cheng was a Senior Partner in Assurance at Deloitte & Touche LLP for 36 years before her retirement in August 2015. During her career with the Firm, she was the Firm's Country Leader for Global Financial Services, Real Estates, Public Sector and Banking and Complex Financial Instruments. She served large listed and non-listed domestic and international clients in those industries. She was also the Chairman of the Firm's Governance Committee for six years before her retirement.

She is a Fellow Chartered Accountant of the Institute of Singapore Chartered Accountants and a Fellow Certified Public Accountant of CPA Australia.

Ms Cheng currently sits on various governmental bodies and professional associations in Singapore. She is a member of the Accounting Standards Council of Singapore, a member of the Board of Trustees of the Education and Training Fund of the National Trade Union Congress, a member of the Technical Advisory Panel of Accounting and Corporate Regulatory Authority and a member of The Singapore Stock Exchange Disciplinary Committee. She is also an Independent Non-Executive Director of Fortune REIT and Chairman of the Audit Committee of Fortune REIT.

Since 2012, Ms Cheng has been appointed as a member of the Financial Reporting Committee of the Institute of Singapore Chartered Accountants and became a member of its Investigation and Disciplinary Panel in 2016.

Ms Cheng holds a Bachelor of Accountancy degree from the University of Singapore.

List of Present and Past Principal Directorships of Directors

A list of the present and past directorships of each director of the Manager over the last five years preceding the Latest Practicable Date is set out in Appendix H, "List of Present and Past Principal Directorships of Directors and Executive Officers".

Roles of the Board of Directors

The key roles of the Board are to:

- guide the corporate strategy and directions of the Manager;
- ensure that senior management discharges business leadership and demonstrates the highest quality of management skills with integrity and enterprise; and
- oversee the proper conduct of the Manager.

The Board comprises five directors. The audit and risk committee of the Board (the "**Audit and Risk Committee**") comprises Professor Annie Koh, Mr Tan Ser Ping and Ms Cheng Ai Phing. Professor Annie Koh will assume the position of Chairman of the Audit and Risk Committee. The nominating and remuneration committee of the Board (the "**Nominating and Remuneration Committee**") comprises Mr Tan Ser Ping, Ms Cheng Ai Phing and Mr Charles J. Schreiber Jr.. Mr Tan Ser Ping will assume the position of Chairman of the Nominating and Remuneration Committee.

The Board shall meet to review the key activities and business strategies of the Manager. The Board intends to meet regularly, at least once every quarter, to deliberate the strategies of Prime US REIT, including acquisitions and divestments, funding and hedging activities, approval of the annual budget and review of the performance of Prime US REIT. The Board or the relevant board committee will also review Prime US REIT's key financial risk areas and the outcome of such reviews will be disclosed in the annual report or where the findings are material, immediately announced via SGXNET.

Each director of the Manager has been appointed on the basis of his professional experience and ability to contribute to the proper guidance of Prime US REIT.

The Board will have in place a set of internal controls which sets out approval limits for operational and capital expenditures, investments and divestments, bank borrowings and cheque signatory arrangements. In addition, sub-limits are also delegated to various management levels to facilitate operational efficiency.

Taking into account the fact that Prime US REIT was constituted only on 7 September 2018 and will only acquire its portfolio on the Listing Date, the Board, in concurrence with the Audit and Risk Committee, is of the opinion that the internal controls as are further described in:

- "The Manager and Corporate Governance – The Manager of Prime US REIT – Board of Directors of the Manager – Roles of the Board of Directors";
- "The Manager and Corporate Governance – Corporate Governance of the Manager – Board of Directors of the Manager";
- "The Manager and Corporate Governance – Corporate Governance of the Manager – Audit and Risk Committee";
- "The Manager and Corporate Governance – Corporate Governance of the Manager – Compliance Officer";
- "The Manager and Corporate Governance – Corporate Governance of the Manager – Dealings in Units";

- "The Manager and Corporate Governance – Corporate Governance of the Manager – Management of Business Risk";

- "The Manager and Corporate Governance – Corporate Governance of the Manager – Potential Conflicts of Interest";

- "The Manager and Corporate Governance – Related Party Transactions – The Manager's Internal Control System";

- "The Manager and Corporate Governance – Related Party Transactions – Role of the Audit and Risk Committee for Related Party Transactions";

- "The Manager and Corporate Governance – Related Party Transactions – Related Party Transactions in Connection with the Setting Up of Prime US REIT and the Offering";

- "The Manager and Corporate Governance – Related Party Transactions – Exempted Agreements"; and

- "The Manager and Corporate Governance – Related Party Transactions – Future Related Party Transactions",

will be adequate in addressing financial, operational and compliance risks faced by Prime US REIT.

The members of the Audit and Risk Committee will monitor changes to regulations and accounting standards closely. To keep pace with regulatory changes, where these changes have an important bearing on the Manager's or its directors' disclosure obligations, the directors of the Manager will be briefed either during Board meetings or at specially convened sessions involving relevant professionals.

Management will also provide the Board with complete and adequate information in a timely manner through regular updates on financial results, market trends and business developments.

More than half of the directors of the Manager are non-executive and independent. This enables the management to benefit from their external, diverse and objective perspective on issues that are brought before the Board. It would also enable the Board to interact and work with the management through a robust exchange of ideas and views to help shape the strategic process. This, together with a clear separation of the roles of the Chairman and the Chief Executive Officer, provide a healthy professional relationship between the Board and the management, with clarity of roles and robust oversight as they deliberate on the business activities of the Manager.

The positions of Chairman of the Board and Chief Executive Officer are separately held by two persons in order to maintain an effective check and balance. The Chairman of the Board is Mr Charles J. Schreiber Jr., while the Chief Executive Officer/Chief Investment Officer is Ms Barbara Cambon.

There is a clear separation of the roles and responsibilities between the Chairman and the Chief Executive Officer of the Manager. The Chairman is responsible for the overall management of the Board as well as ensuring that the members of the Board and the management work together with integrity and competency, and that the Board engages the management in constructive debate on strategy, business operations, enterprise risk and other plans. The Chief Executive Officer has full executive responsibilities over the business directions and operational decisions in the day-to-day management of the Manager.

The Board has separate and independent access to senior management and the company secretary(s) at all times. The company secretary(s) attends to corporate secretarial administration matters and attends all Board meetings. The Board also has access to independent professional advice where appropriate and when requested.

Executive Officers of the Manager

The executive officers of the Manager are entrusted with the responsibility for the daily operations of the Manager. The following table sets forth information regarding the executive officers of the Manager:

Name	Age	Address	Position
Barbara Cambon	65	1 Raffles Place #40-01 One Raffles Place Singapore 048616	Chief Executive Officer/Chief Investment Officer
Sandip Talukdar	47	1 Raffles Place #40-01 One Raffles Place Singapore 048616	Chief Financial Officer
Goo Liang Yin	44	1 Raffles Place #40-01 One Raffles Place Singapore 048616	Financial Controller

Experience and Expertise of the Executive Officers of the Manager

Information on the working experience of the executive officers of the Manager is set out below:

Ms Barbara Cambon is the Chief Executive Officer/Chief Investment Officer of the Manager.

Ms Cambon was an independent director of KBS Real Estate Investment Trust II, Inc., KBS REIT III and KBS Real Estate Investment Trust, Inc.. Between April 2009 and December 2010, she served as Chief Operating Officer of Premium One Asset Management LLC, a company whose business focuses on providing investment management services to investors.

Between October 2003 and October 2009, she served as a Managing Member of Snowcreek Management LLC, a real estate asset-management company whose business activities focus on residential development projects for institutional investors. As Managing Member, Ms Cambon provided asset management services to an institutional partnership investment in residential real estate development.

From November 1999 until October 2002, she served as a Principal of Los Angeles-based Colony Capital, LLC, a private real estate investment firm, and from April 2000 until October 2002 she also served as Chief Operating Officer of Colony. Prior to joining Colony in 1999, Ms Cambon was President and Founder of Institutional Property Consultants, Inc., a real estate consulting company.

She is a past Director and Chairman of the Board of the Pension Real Estate Association and past Director of the National Council of Real Estate Investment Fiduciaries. Between 2004 to 2014, Ms Cambon served on the board of directors of BioMed Realty Trust, Inc. Between 2014 to 2016, she served on the board of directors of Amstar Advisers. She is currently on the Policy Advisory Board of the University of San Diego Burnham-Moores Real Estate Institute.

Ms Cambon received a Master of Business Administration from Southern Methodist University and a Bachelor of Science Degree in Education from the University of Delaware.

Mr Sandip Talukdar is the Chief Financial Officer of the Manager. In addition, he will also be in charge of investor relations.

Mr Talukdar has more than 20 years of experience in the investment banking and finance industry. Mr Talukdar was the Managing Director, Head of South East Asia Equity Corporate Finance of Standard Chartered Bank, Singapore from 2009 to 2015.

Prior to joining Standard Chartered Bank, Singapore, Mr Talukdar was with Credit Suisse, Singapore from 2005 to 2009 where he was first Vice President, South East Asia Corporate Finance before becoming Director, Co-Head of South East Asia Corporate Finance. He was responsible for leading the execution and origination of equity, debt and merger and acquisition transactions across Southeast Asia.

From 2003 to 2005, Mr Talukdar was with Dresdner Kleinwort Wasserstein, Singapore starting out as Associate, Corporate Finance & Advisory before rising to become Vice President, Corporate Finance & Advisory.

From 1999 to 2002, Mr Talukdar was an Associate, Investment Banking with Merrill Lynch (Singapore) Pte. Ltd., Singapore. From 1994 to 1996, Mr Talukdar was an Analyst, Investment Banking with Merrill Lynch & Company in both New York and Singapore.

Mr Talukdar graduated with a Bachelor of Business Administration, with Distinction, from the Michigan Business School, University of Michigan and a Master of Business Administration, Palmer Scholar, from The Wharton School, University of Pennsylvania.

After making all reasonable enquiries, and to the best of their knowledge and belief, nothing has come to the attention of the members of the Audit and Risk Committee to cause them to believe that Mr Sandip Talukdar does not have the competence, character and integrity expected of a Chief Financial Officer of the Manager. The Audit and Risk Committee is of the opinion that Mr Sandip Talukdar is suitable as the Chief Financial Officer on the basis of his qualifications and relevant past experience. The Audit and Risk Committee considers that Mr Sandip Talukdar's investment banking qualification coupled with his extensive experience in corporate finance makes him a suitable candidate to be Chief Financial Officer of the Manager. Mr Sandip Talukdar confirms that he is familiar with the finance and accounting functions and internal control systems of Prime US REIT.

Mr Goo Liang Yin is the Financial Controller of the Manager.

Mr Goo has more than 20 years of experience in financial accounting. Mr Goo was previously the Vice President Finance of NSL Ltd from 2013 to 2018 where he was responsible for overseeing the group-wide reporting process, including consolidation of financial results of the group. Prior to joining NSL Ltd (formerly known as Natsteel Ltd.), Mr Goo was the Vice President (Finance) at First Sponsor Management Pte. Ltd. from 2012 to 2013. He was overall-in-charge of the group's financial planning and analysis function and treasury matters.

From 2007 to 2012, Mr Goo was the Chief Financial Officer of China Great Land Holdings Ltd where he assumed supervision over the accounts team and took charge of taxation matters, management reporting and the preparation of financial statements. From June 2006 to December 2006, Mr Goo was the Senior Finance Manager & Company Secretary of Airocean Group Ltd. From 2004 to 2006, he was the Group Accountant for Behringer Holdings (Pte.) Ltd. and from 2003 to 2004, he was the Group Accountant for China EnerSave Ltd.

Before joining FTD Technology Pte. Ltd as a Group Accountant from 2001 to 2003, Mr Goo started out at KPMG Singapore from 1998 to 2001 where his highest held position was Audit Senior.

Mr Goo graduated with a Bachelor of Accountancy from Nanyang Technological University.

List of Present and Past Principal Directorships of Executive Officers

A list of the present and past directorships of each executive officer of the Manager over the last five years preceding the Latest Practicable Date is set out in Appendix H, "List of Present and Past Principal Directorships of Directors and Executive Officers".

Roles of the Executive Officers of the Manager

The **Chief Executive Officer** of the Manager will work with the Board to determine the strategy for Prime US REIT. The Chief Executive Officer will also work with the other members of the management team to ensure that Prime US REIT operates in accordance with the Manager's stated investment strategy. Additionally, the Chief Executive Officer will be responsible for planning the future strategic development of Prime US REIT. The Chief Executive Officer is also responsible for the overall day-to-day management and operations of Prime US REIT and working with the Manager's investment, asset management, financial and legal and compliance personnel in meeting the strategic, investment and operational objectives of Prime US REIT.

The **Chief Investment Officer** of the Manager will work with the other members of the management team to execute the investment programme of the Manager which, working with the U.S. Asset Manager, is responsible for identifying, researching and evaluating potential acquisitions and related investments with a view to enhancing Prime US REIT's portfolio, or divestments where a property is no longer strategic, fails to enhance the value of Prime US REIT's portfolio or fails to be yield accretive.

The **Chief Financial Officer** of the Manager will work with the Chief Executive Officer and the other members of the management team to formulate strategic plans for Prime US REIT in accordance with the Manager's stated investment strategy. The Chief Financial Officer will be responsible for applying the appropriate capital management strategy, including tax and treasury matters, as well as finance and accounting matters, overseeing implementation of Prime US REIT's short and medium-term business plans, fund management activities and financial condition.

The **Head of Investor Relations** of the Manager is responsible for facilitating communications and liaising with the Unitholders. This includes producing annual reports for Unitholders, preparation for investor presentations, result briefings and other engagement activities with investors, managing investor queries and developing the investor relations strategy. The Head of Investor Relations will be responsible for maintaining transparent communications with Unitholders and the market.

Roles and Responsibilities of the Manager

The Manager has general powers of management over the assets of Prime US REIT. The Manager's main responsibility is to manage Prime US REIT's assets and liabilities for the benefit of Unitholders.

The Manager will set the strategic direction and provide, among others, the following services to Prime US REIT:

- **Investment**: Formulating Prime US REIT's investment strategy, including determining the location, sub-sector type and other characteristics of Prime US REIT's property portfolio. Overseeing the negotiations and providing the supervision in relation to investments of Prime US REIT and making final recommendations to the Trustee.

- **Asset management**: Formulating Prime US REIT's asset management strategy, including determining the tenant mix, asset enhancement works and rationalising operation costs. Providing the supervision in relation to asset management of Prime US REIT and making final recommendations to the Trustee on material matters.

- **Capital management**: Formulating the plans for equity and debt financing for Prime US REIT's property acquisitions, distribution payments, expense payments and property maintenance payments. Executing the capital management plans, negotiating with financiers and underwriters and making final recommendations to the Trustee.

- **Internal Audit**: Assisting with internal and external audit processes for the Parent U.S. REIT and/or the Extended U.S. LLCs including internal controls over financial reporting and operational audits in accordance with the Manager's audit plan including property-level audits, capital expenditure audits and other operational audits. Work with business teams to identify improvement opportunities in internal controls, processes, policies and procedures. Assist to enhance or implement financial accounting system and internal controls.

- **Human Resource**: Perform and support the formulation of policies, framework and programmes, implementation and/or administration of human resource matters relating to the, among others, training and development, succession planning and payroll services.

- **Information Technology**: Providing support for email communication and Office 365 platform, software systems and website.

- **Accounting**: Preparing accounts, financial reports and annual reports for Prime US REIT on a consolidated basis.

- **Compliance**: Making all regulatory filings on behalf of Prime US REIT, and assisting Prime US REIT, using its commercially reasonable best efforts, in complying with the applicable provisions of the SFA and all other relevant legislation, the Listing Manual, the CIS Code (including the Property Funds Appendix), the Take-over Code, the Trust Deed, the CMS Licence, any tax ruling and all relevant contracts.

- **Investor relations**: Communicating and liaising with investors, analysts and the investment community.

The Manager has covenanted in the Trust Deed to use its best endeavours to:

- carry on and conduct its business in a proper and efficient manner;

- ensure that Prime US REIT's operations are carried on and conducted in a proper and efficient manner; and

- conduct all transactions with or for Prime US REIT on an arm's length basis and on normal commercial terms.

The Manager will prepare property plans on a regular basis, which may contain proposals and forecasts on Gross Revenue, capital expenditures, sales and valuations, explanations of major variances to previous forecasts, written commentary on key issues and any relevant assumptions. The purpose of these plans is to explain the performance of Prime US REIT's properties.

The Manager may require Prime US REIT to borrow or may recommend that its subsidiaries borrow, (upon such terms and conditions as the Manager deems fit, including the charging or mortgaging of all or any part of the Deposited Property) whenever the Manager considers, among others, that such borrowings are necessary or desirable in order to enable Prime US REIT to meet any liabilities or to finance the acquisition of any property. However, the Manager must not direct the Trustee, or such subsidiary, to incur a borrowing if to do so would mean that Prime US REIT's total borrowings and deferred payments will exceed the limit stipulated by the MAS based on the value of its Deposited Property at the time the borrowing is incurred, taking into account deferred payments (including deferred payments for assets whether to be settled in cash or in Units).

In the absence of fraud, gross negligence, wilful default or breach of the Trust Deed by the Manager, it shall not incur any liability by reason of any error of law or any matter or thing done or suffered to be done or omitted to be done by it in good faith under the Trust Deed. In addition, the Manager shall be entitled, for the purpose of indemnity against any actions, costs, claims, damages, expenses or demands to which it may be put as Manager, to have recourse to the Deposited Property or any part thereof save where such action, cost, claim, damage, expense or demand is occasioned by the fraud, gross negligence, wilful default or breach of the Trust Deed by the Manager.

The Manager may, in managing Prime US REIT and in carrying out and performing its duties and obligations under the Trust Deed, with the written consent of the Trustee, appoint such person to exercise any or all of its powers and discretions and to perform all or any of its obligations under the Trust Deed, provided always that the Manager shall be liable for all acts and omissions of such persons as if such acts and omissions were its own.

Fees Payable to the Manager

Management Fee

The Manager is entitled under the Trust Deed to the following management fee:

- a Base Fee at the rate of 10.0% per annum of Prime US REIT's Annual Distributable Income (calculated before accounting for the Base Fee and the Performance Fee); and

- a Performance Fee equal to the rate of 25.0% of the difference in DPU in a financial year with the DPU in the preceding financial year (calculated before accounting for the Performance Fee but after accounting for the Base Fee in each financial year) multiplied by the weighted average number of Units in issue for such financial year.

The Performance Fee is payable if the DPU in any financial year exceeds the DPU in the preceding financial year, notwithstanding that the DPU in the financial year where the Performance Fee is payable may be less than the DPU in any preceding financial year.

For the avoidance of doubt, where the DPU in a financial year is less than the DPU in any preceding financial year, the Manager shall not be required to return any Performance Fee paid to it in any preceding financial year.

For the purpose of the computation of the Performance Fee only, the DPU shall be calculated based on all income of Prime US REIT arising from the operations of Prime US REIT, such as, but not limited to, rentals, interest, dividends, and other similar payments or income arising from the Authorised Investments (as defined herein) of Prime US REIT.

For each of Forecast Period 2019 and Projection Year 2020, the difference in DPU shall be the difference in actual DPU in such financial year with the projected DPU, as set out in the Profit Forecast and Profit Projection.

The Manager may elect to receive the Base Fee and Performance Fee in the form of cash and/or Units (as the Manager may elect), in such proportions as may be determined by the Manager.

Any increase in the rate or any change in the structure of the Management Fee must be approved by an Extraordinary Resolution passed at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed. For the avoidance of doubt, the Manager's change in its election to receive cash or Units or a combination of cash and Units is not considered as a change in structure of the Management Fee.

Where the Base Fee and the Performance Fee are payable in the form of Units, such payment shall be made within 30 days of the last day of every calendar quarter, or such other period as the Manager may determine (in relation to the Base Fee), and every FY (in relation to the Performance Fee), or such longer period as the Manager may determine in the event that the Base Fee and/or Performance Fee cannot be computed within 30 days of the last day of the relevant period), in arrears.

Where the Base Fee and the Performance Fee is payable in the form of cash, such payment shall be made within 30 days of the last day of every calendar month (in relation to the Base Fee) or FY (in relation to the Performance Fee) or such other period as the Manager may determine (or such longer period as the Manager may determine in the event that the Base Fee cannot be computed within 30 days of the last day of the relevant period), in arrears and in the event that cash is not available to make the whole or part of such payment, then payment of such Base Fee or Performance Fee due and payable to the Manager shall be deferred to the next calendar month when cash is available.

Acquisition Fee and Divestment Fee

The Manager is also entitled to:

- an Acquisition Fee of 1.0% (or such lower percentage as may be determined by the Manager in its absolute discretion) of each of the following as is applicable (subject to there being no double counting):

    - the acquisition price of any real estate purchased, whether directly or indirectly through one or more SPVs, by Prime US REIT (plus any other payments[1] in addition to the acquisition price made by Prime US REIT or its SPVs to the vendor in connection with the purchase of the real estate) (pro-rated, if applicable, to the proportion of Prime US REIT's interest);

    - the underlying value[2] of any real estate which is taken into account when computing the acquisition price payable for the equity interests of any vehicle holding directly or indirectly the real estate purchased by Prime US REIT, whether directly or indirectly through one or more SPVs (plus any additional payments made by Prime US REIT or its SPVs to the vendor in connection with the purchase of such equity interests) (pro-rated, if applicable, to the proportion of Prime US REIT's interest); or

    - the acquisition price of any investment purchased by Prime US REIT, whether directly or indirectly through one or more SPVs, in any debt securities of any

1 "**Other payments**" refer to additional payments to the vendor of the asset, for example, where the vendor has already made certain payments for enhancements to the asset, and the value of the asset enhancements is not reflected in the acquisition price as the asset enhancements are not completed, but "other payments" do not include stamp duty or other payments to third party agents and brokers.

2 For example, if Prime US REIT acquires an SPV which holds real estate, such underlying value would be the value of the real estate derived from the amount of equity ascribed to the asset which will be paid to Prime US REIT as the purchase price and any debt of the SPV.

property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate; and

- a Divestment Fee equivalent to 0.5% (or such lower percentage as may be determined by the Manager in its absolute discretion) of each of the following as is applicable (subject to there being no double-counting):

  - the sale price of any real estate sold or divested, whether directly or indirectly through one or more SPVs, by Prime US REIT (plus any other payments[1] in addition to the sale price received by Prime US REIT or its SPVs from the purchaser in connection with the sale or divestment of the real estate) (pro-rated, if applicable, to the proportion of Prime US REIT's interest);

  - the underlying value[2] of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding directly or indirectly the real estate, sold or divested, whether directly or indirectly through one or more SPVs, by Prime US REIT (plus any additional payments received by Prime US REIT or its SPVs from the purchaser in connection with the sale or divestment of such equity interests) (pro-rated, if applicable, to the proportion of Prime US REIT's interest); or

  - the sale price of any investment sold or divested by Prime US REIT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

For the avoidance of doubt, the acquisition price, or as the case may be, the acquisition value, shall take into account any completion or other price or value adjustment to be made post-completion.

For the avoidance of doubt, the Divestment Fee is payable in respect of any divestment of real estate assets to both third parties and interested parties.

For the avoidance of doubt, the sale price, or as the case may be, the sale value, shall take into account any completion or other price or value adjustment to be made post-completion.

No acquisition fee is payable for the acquisition of the Properties in the IPO Portfolio. In accordance with the Property Funds Appendix, where the Manager receives a percentage-based fee when Prime US REIT acquires real estate from an interested party, or disposes of real estate to an interested party, the Acquisition Fee or, as the case may be, the Divestment Fee will be in the form of Units issued at prevailing market price(s). Such Units may not be sold within one year from the date of issuance.

Any payment to third party agents[3] or brokers in connection with the acquisition or divestment of any real estate of Prime US REIT (other than the U.S. Asset Manager) shall be paid to such

[1] "**Other payments**" refer to additional payments to Prime US REIT or its SPVs for the sale of the asset, for example, where Prime US REIT or its SPVs have already made certain payments for enhancements to the asset, and the value of the asset enhancements is not reflected in the sale price as the asset enhancements are not completed, but "other payments" do not include stamp duty or other payments to third party agents and brokers.

[2] For example, if Prime US REIT sells or divests an SPV which holds real estate, such underlying value would be the value of the real estate derived from the amount of equity ascribed to the asset which will be paid to Prime US REIT as the sale price and any debt of the SPV.

[3] These third party agents or brokers could be property agents who are engaged for the purpose of acquiring assets or auctioneers (where assets are to be acquired through auction sales).

persons out of the Deposited Property of Prime US REIT or the assets of the relevant SPV, and not out of the Acquisition Fee or the Divestment Fee received or to be received by the Manager.

The Acquisition Fee and Divestment Fee are payable to the Manager in the form of cash and/or Units (as the Manager may elect), in such proportions as may be determined by the Manager, at the then prevailing market price(s). In respect of any acquisition and sale or divestment of real estate assets from/to interested parties, such a fee should be in the form of Units issued by Prime US REIT at prevailing market price(s) and such Units should not be sold within one year from the date of their issuance.

The Acquisition Fee and Divestment Fee are payable as soon as practicable after completion of the acquisition or, as the case may be, sale or disposal.

Any increase in the maximum permitted level of the Manager's Acquisition Fee or Divestment Fee must be approved by an Extraordinary Resolution passed at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

Development Management Fee

The Manager is entitled to receive a development management fee equivalent to 3.0% of the Total Project Costs (as defined herein) incurred in a Development Project (as defined herein) undertaken by the Manager on behalf of Prime US REIT.

The development management fee is payable in equal monthly instalments over the construction period of each Development Project based on the Manager's best estimate of the Total Project Costs and construction period and, if necessary, a final payment of the balance amount to be paid to the Manager or (as the case may be) paid by the Manager when the Total Project Costs is finalised.

Prime US REIT will only undertake development activities within the limits of the Property Funds Appendix (which currently allows a REIT to commit no more than 10.0% of its deposited property to development and investment in uncompleted property developments). The total contract value of property development activities may exceed 10.0% of Prime US REIT's deposited property (subject to maximum of 25.0% of Prime US REIT's deposited property) only if:

(i) the additional allowance of up to 15.0% of Prime US REIT's deposited property is utilised solely for the redevelopment of an existing property that has been held by Prime US REIT for at least three years and which Prime US REIT will continue to hold for at least three years after the completion of the redevelopment; and

(ii) Prime US REIT obtains the specific approval of Unitholders at a general meeting for the redevelopment of the property.

"**Total Project Costs**" means the sum of the following:

- construction cost based on the project final account prepared by the project quantity surveyor or issued by the appointed contractor;
- principal consultants' fees, including payments to the project's architect, civil and structural engineer, mechanical and electrical engineer, quantity surveyor and project manager;
- the cost of obtaining all approvals for the project;

- site staff costs;

- interest costs on actual borrowings used to finance project cash flows (excluding equity capital) that are capitalised to the project in line with the International Financial Reporting Standards; and

- any other costs including contingency expenses which meet the definition of Total Project Costs and can be capitalised to the project in accordance with the International Financial Reporting Standards,

but for the avoidance of doubt, shall not include land costs (including but not limited to the acquisition price or underlying value of such land).

"**Development Project**" means a project involving the development of land, or buildings, or part(s) thereof on land which is acquired, held or leased by Prime US REIT, provided always that the Property Funds Appendix shall be complied with for the purposes of such development, but does not include refurbishment, retrofitting and renovations.

When the estimated Total Project Costs are above US$100 million, the Manager will be entitled to receive a development management fee equivalent to 3.0% for the first US$100 million. For the Remaining Total Project Costs, the independent Directors will first review and approve the quantum of the Remaining Development Management Fee, whereupon the Manager may be directed by its independent Directors to reduce the Remaining Development Management Fee.

As land costs will not be included in the computation of Total Project Costs, the Manager shall be entitled to receive an Acquisition Fee on the land costs.

Retirement or Removal of the Manager

The Manager shall have the power to retire in favour of a corporation recommended by the Manager and approved by the Trustee to act as the manager of Prime US REIT.

Also, the Manager may be removed by notice given in writing by the Trustee if:

- the Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver is appointed over its assets or a judicial manager is appointed in respect of the Manager;

- the Manager ceases to carry on business;

- the Manager fails or neglects after reasonable notice from the Trustee to carry out or satisfy any material obligation imposed on the Manager by the Trust Deed;

- the Unitholders by an Ordinary Resolution (as defined herein) duly proposed and passed by Unitholders present and voting at a meeting of Unitholders convened in accordance with the Trust Deed, with no Unitholder (including the Manager and its Related Parties) being disenfranchised, vote to remove the Manager;

- for good and sufficient reason the Trustee is of the opinion that the actions of the Manager harms the interests of the Unitholders, and so states in writing such reason and opinion, that a change of Manager is desirable in the interests of the Unitholders; or

- the MAS directs the Trustee to remove the Manager.

Where the Manager is removed on the basis that a change of the Manager is desirable in the interests of the Unitholders, the Manager has a right under the Trust Deed to refer the matter to arbitration. Any decision made pursuant to such arbitration proceedings is binding upon the Manager, the Trustee and all Unitholders.

Upon any removal or retirement of the Manager, the Trustee shall appoint a new manager as soon as possible whose appointment shall be subject to (i) compliance with the relevant laws, regulations and guidelines and (ii) the approval of Unitholders by an Ordinary Resolution.

THE U.S. ASSET MANAGER

The U.S. Asset Manager is KBS Realty Advisors LLC which was formed in the State of Delaware in the U.S. on 3 January 2000. Its principal office is located at 800 Newport Center Drive, Suite 700, Newport Beach, California.

Pursuant to the KBS Management Agreement, the Manager has engaged the U.S. Asset Manager to perform certain operational duties with respect to the Parent U.S. REIT and the Property Holding LLCs, in each case subject to the duties and responsibilities of the respective board of directors of the Parent U.S. REIT and the managers of the Property Holding LLCs. The U.S. Asset Manager is registered as an investment adviser with the U.S. Securities and Exchange Commission.

The U.S. Asset Manager will provide, among others, the following services:

(i) **Investment**: Supporting the execution, through the Parent U.S. REIT and the Property Holding LLCs, of Prime US REIT's investment strategy in accordance with the strategy formulated by the Manager and the guidelines issued by the Manager which include requirements relating to the location, sub-sector type and other characteristics of Prime US REIT's property portfolio;

(ii) **Asset management**: Working with the property manager to execute, through the Parent U.S. REIT and the Property Holding LLCs, Prime US REIT's asset management strategy in accordance with the decisions made by and the strategy formulated by the Manager and the guidelines issued by the Manager which include requirements relating to the tenant mix, asset enhancement works and rationalising operation costs. Deal with the Leasing Agents to execute, through the Parent U.S. REIT and the Property Holding LLCs, Prime US REIT's leasing strategy. For the avoidance of doubt, there will be no overlap of duties between the U.S. Asset Manager and the Property Manager. The U.S. Asset Manager performs certain functions of the Manager which has been outsourced to it and part of its duties is to oversee the Property Manager which is an independent third-party service provider.;

(iii) **Capital management**: Supporting the execution of debt financing plans for any debt taken up by the Parent U.S. REIT and/or the Property Holding LLCs;

(iv) **Internal Audit**: Assisting with internal and external audit processes for the Parent U.S. REIT and/or the Property Holding LLCs including internal controls over financial reporting and operational audits in accordance with the Manager's audit plan including property-level audits, capital expenditure audits and other operational audits. Work with business teams to identify improvement opportunities in internal controls, processes, policies and procedures. Assist to enhance or implement financial accounting system and internal controls.

(v) **Human Resource**: Perform and support the formulation of policies, framework and programmes, implementation and/or administration of human resource matters relating to the, among others, training and development, succession planning and payroll services.

(vi) **Information Technology**: Providing support for email communication and Office 365 platform, software systems and website.

(vii) **Accounting**: Preparing accounts, financial reports and annual reports, as may be required, for the Parent U.S. REIT and/or the Property Holding LLCs; and

(viii) **Compliance**: Making all regulatory filings on behalf of the Parent U.S. REIT and the Property Holding LLCs and assisting the Parent U.S. REIT and the Property Holding LLCs, using its commercially reasonable best efforts, in complying with applicable provisions of the relevant legislation and tax laws and regulations in the U.S., including meeting the requirements for qualification and taxation of the Parent U.S. REIT as an U.S. REIT, and all relevant contracts.

The U.S. Asset Manager will act subject to the overall discretion and direction of the Manager and within guidelines issued by the Manager and in accordance with the approved annual business plan and budget. The U.S. Asset Manager will seek to find investment opportunities consistent with the investment guidelines established by the Manager. The U.S. Asset Manager allocates investment opportunities among its clients in accordance with the Allocation Process. (See "Strategy – Addressing Conflicts of Interest – Allocation of Acquisition Opportunities among the Non-Traded Core Strategy REITs and Prime US REIT" for further details.) Once an acquisition is approved, the U.S. Asset Manager will perform diligence, and subject to the consent by the Manager, will be authorised to negotiate the terms of and all necessary agreements to effect the acquisition.

The U.S. Asset Manager may delegate its duties under the KBS Management Agreement to an affiliate with the consent of the Manager or to the extent provided in the KBS Management Agreement; provided such delegation does not relieve the U.S. Asset Manager of its obligations under the KBS Management Agreement.

The KBS Management Agreement is terminable by the Manager and the U.S. Asset Manager, respectively, upon notice and subject to certain cure rights, in the event of a bankruptcy or insolvency, material breaches of the KBS Management Agreement, if the Manager is no longer an affiliate of the U.S. Asset Manager, or in the case of a termination by the Manager, any employee of the U.S. Asset Manager commits an act of fraud, gross negligence, wilful misconduct or misappropriation in connection with the KBS Management Agreement. Also, the Manager and the U.S. Asset Manager have the right, upon 90 days prior notice, to terminate the KBS Management Agreement for any reason or for no reason whatsoever.

In addition, the Manager has the right to terminate the KBS Management Agreement by giving not less than one month's prior written notice to U.S. Asset Manager in the event of (i) a material breach of the KBS Management Agreement that was not remedied within thirty days of the receipt by the U.S. Asset Manager, as applicable, of a notice from the Manager or the Manager US Sub identifying the breach and requiring its remedy; and (ii) where there is a demonstrable deterioration in the ability of the U.S. Asset Manager to perform the services under the KBS Management Agreement.

Accordingly, if there is a demonstrable deterioration in the ability of U.S. Asset Manager to perform its services under the KBS Management Agreement, and the Manager exercises its right to terminate the US Asset Manager, to ensure that there is no disruption to the operations, the Manager could either:

(i) hire additional employees to perform the asset management functions which are currently provided by the US Asset Manager, and in this regard, the Manager is of the view that there is a wide and deep pool of professionals in the U.S. who have relevant asset management experience; and/or

(ii) engage another asset manager in the US to provide the asset management services, and in this regard, the Manager is of the view that there are other asset management platforms in the U.S. which can perform the role of the US Asset Manager.

For the avoidance of doubt, while the notice period for termination is one month, in the event that the Manager intends to terminate the appointment of the US Asset Manager pursuant to the KBS Management Agreement, it will ensure that it has in place the above-mentioned arrangements before exercising the right to terminate to ensure that there is no disruption to the operations.

The U.S. Asset Manager and its managers, officers and employees (collectively, "**Asset Manager Indemnified Parties**") are entitled to indemnification from the Manager from all claims, liabilities, costs, charges, expenses, losses and damages ("**Losses**") incurred by them in connection with their activities under the KBS Management Agreement, except to the extent as a result of such Asset Manager Indemnified Party's fraud, gross negligence or wilful misconduct (collectively "**U.S. Asset Manager's Misconduct**"). The U.S. Asset Manager is required to indemnify the Manager and its directors, officers, and employees for any Losses incurred by them arising from any U.S. Asset Manager's Misconduct other than for indirect, consequential, punitive or special damages.

Fees payable to the U.S. Asset Manager will be paid by the Manager.

MANAGER US SERVICES AGREEMENT

Services in the US will be provided pursuant to the Manager US Services Agreement, which is entered into between the Manager, the Manager US Sub, the Parent U.S. REIT and the Property Holding LLCs. The Manager US Services Agreement is a subcontract from the Manager to the Manager US Sub with respect to the Manager US Services.

The Manager US Sub will appoint one or more executives, who will be employed solely by the Manager US Sub while they are in the United States under a secondment, and/or employment or similar arrangement, to provide the Manager US Services to the Parent U.S. REIT and/or the Property Holding LLCs as set forth in the Manager US Services Agreement.

The Manager US Services Agreement will generally be on the same terms (other than terms relating to how the service fee is determined) as the KBS Management Agreement to Parent U.S. REIT and the Property Holding LLCs, except that the services are provided by the Manager US Sub instead of the U.S. Asset Manager.

The Manager US Services Agreement is terminable by any of the parties to the Manager US Services Agreement, in the event of, among others, a bankruptcy or insolvency or a change of control in any of the other parties to the Manager US Services Agreement.

In addition, the Manager has the right to terminate the Manager US Services Agreement by giving not less than one month's prior written notice to the Manager US Sub in the event of (i) a material breach of the Manager US Services Agreement that was not remedied within thirty days of the receipt by the Manager US Sub of a notice from the Manager identifying the breach and requiring its remedy and (ii) where there is a demonstrable deterioration in the ability of the Manager US Sub to perform the services under the Manager US Services Agreement.

Similar to the KBS Management Agreement, Prime US REIT, the Parent U.S. REIT and the Property Holding LLCs will have no obligations or liabilities under the Manager US Services Agreement.

The Manager remains solely responsible for the provision of the related functions to Prime US REIT as a whole, and nothing in the Manager US Services Agreement would absolve any of its responsibilities or liabilities to Prime US REIT under the Trust Deed, notwithstanding that the Parent U.S. REIT board of directors has the power to direct, supervise and instruct Manager US Sub under the Manager US Services Agreement.

Fees payable under the Manager US Services Agreement will be paid by the Manager to the Manager US Sub.

THE KEPPEL MANAGEMENT SUPPORT

The Manager and KCI entered the Keppel Management Agreement on 27 June 2019. Pursuant to the Keppel Management Agreement, the Manager has engaged KCI to provide, among others, the following services:

- **Human Resource**: Providing human resource advisory services to the Manager including recruitment and performance management.

- **Information Technology**: Providing information technology support services to the Manager including procurement of information technology equipment and regular training on information technology security awareness.

- **Compliance Support in Singapore**: Making all regulatory filings to MAS on behalf of Prime US REIT, and assisting Prime US REIT in complying with the Listing Manual, SFA, the CIS Code (including the Property Funds Appendix), the Trust Deed and associated regulations and guidelines.

KCI will act subject to the overall discretion and direction of the Manager and within guidelines issued by the Manager.

KCI may delegate its duties under the Keppel Management Agreement to an affiliate with the consent of the Manager or to the extent provided in the Keppel Management Agreement; provided such delegation does not relieve KCI of its obligations under the Keppel Management Agreement.

The Keppel Management Agreement is terminable by the Manager and KCI, respectively, upon written notice, in the event of, among others, a bankruptcy or insolvency, material breaches of the Keppel Management Agreement, a change of control in the Manager or in the case of a termination by the Manager, where there is a demonstrable deterioration in the ability of KCI to perform the services under the Keppel Management Agreement.

KCI and its affiliates (collectively, the "**KCI Indemnified Parties**") are entitled to indemnification from the Manager from all liabilities, claims, damages or losses incurred by them in connection with their activities under the Keppel Management Agreement, except to the extent as a result of such KCI Indemnified Party's gross negligence or wilful misconduct (collectively, "**KCI's Misconduct**"). KCI is required to indemnify the Manager and its directors, officers, and employees for any loss or liability suffered or incurred by the Manager or any of its officers or agents, and any costs, charges and expenses incurred by the Manager or any of its officers or agents, to the extent that such loss, liability, cost, charge or expense is caused by or arising from the KCI's Misconduct in the performance of its obligations under the Keppel Management Agreement.

Fees payable to KCI will be paid by the Manager.

THE PROPERTY MANAGERS

The Property Managers will enter into separate Property Management Agreements in relation to each Property with the relevant Property Holding LLC. The Property Managers for the Properties are:

(a) Cushman & Wakefield U.S., Inc. for Tower I at Emeryville;

(b) HP Utah Management LLC for 222 Main;

(c) Jones Lang LaSalle Americas, Inc. for Village Center Station I;

(d) Shea Properties Management Company, Inc. for Village Center Station II;

(e) CBRE, Inc. for 101 South Hanley;

(f) Transwestern Commercial Services Central Region, L.P., dba Transwestern for Tower 909;

(g) CBRE, Inc. for Promenade I;

(h) CBRE, Inc. for Promenade II;

(i) CBRE, Inc. for CrossPoint;

(j) Transwestern Carey Winston, L.L.C., dba Transwestern for One Washingtonian Center;

(k) Transwestern Carey Winston, L.L.C., dba Transwestern for Reston Square;

(l) Cushman & Wakefield U.S., Inc. for 171 17th Street; and

Under each Property Management Agreement, subject to the policies and programmes established by the Property Holding LLCs, the Property Manager shall conduct the day-to-day management, operation, maintenance and servicing of the relevant Property, including administration and enforcement of leases, collection of rents, preparation and submission of proposed annual operating and capital expense budgets for review and approval, and maintenance and repair of the relevant Property, negotiation of contracts, obtaining required insurance, maintenance of records and accounts, obtaining required licences for the Properties and compliance by the relevant Property with applicable laws. The Property Manager will act within the approved annual budget, subject to certain permitted variances and any established guidelines.

The term of each Property Management Agreement is 1 year from the date of agreement, but the Property Management Agreements are thereafter deemed to be automatically renewed for successive periods of 1 year. Except for the Property Management Agreement for Village Center Station II, the Property Management Agreements are subject at all times to the termination rights of the Property Managers and the Property Holding LLCs granted therein, including without limitation (i) the right of the Property Holding LLCs to terminate in the event of a sale of the applicable Property upon no less than 5 days' written notice to the Property Managers, (ii) the right of the Property Holding LLCs to terminate without cause upon 30 days' written notice to the Property Managers, and (iii) the right of Property Managers to terminate without cause upon 60 days' written notice to the Property Holding LLCs.

For the Property Management Agreement for Village Center Station II, Prime US-Village Center Station II, LLC has the right to terminate the Property Management Agreement (i) ninety (90) days after the occurrence of a casualty affecting the Property as to which Prime US-Village Center Station II, LLC, acting reasonably, determines that the damage or destruction materially and adversely affects the operation of the Property; (ii) ninety (90) days after the occurrence of a taking of the Property or material portion thereof in any eminent domain, condemnation, compulsory acquisition, or similar proceeding and Prime US-Village Center Station II, LLC (acting reasonably) determines that such taking materially and adversely affects the operation of the Property, and (iii) at any time after 1 July 2019 in Prime US-Village Center Station II, LLC's sole discretion upon thirty (30) days' prior written notice to Manager. Property Manager shall have the right to terminate the Property Management Agreement for Village Center Station II as follows: (i) upon 10 days' notice for a monetary default by Prime US-Village Center Station II, LLC, (ii) upon 30 days' notice for any other default, provided that if the default may not be cured within 30 days, then Prime US-Village Center Station II, LLC shall have up to 90 days to cure such default as long as it promptly commences the cure and diligently proceeds to cure such default.

With respect to Tower I at Emeryville, 101 South Hanley, Promenade I & II, CrossPoint, One Washingtonian Center and Reston Square, the Property Managers and their officers, directors and employees are entitled to indemnification from the applicable Property Holding LLCs for claims, losses and liabilities which arise out of the performance by the Property Managers of their obligations and duties under the Property Management Agreements unless the claim, loss or liability arises from (i) any breach of the Property Management Agreement by the Property Managers or (ii) the negligence, recklessness, wilful misconduct, fraud or criminal acts of the Property Managers or their employees, officers, agents, or representatives. The Property Managers are required to indemnify the applicable Property Holding LLCs and their officers, directors, and employees from claims, losses, and liabilities which arise out of (i) any breach of the Property Management Agreement by the Property Managers or (ii) the negligence, recklessness, wilful misconduct, fraud or criminal acts of the Property Managers or their employees, officers, agents or representatives.

With respect to 222 Main, Village Center Station I and Tower 909, the Property Managers and their officers, directors and employees are entitled to indemnification from the applicable Property Holding LLCs for claims, losses and liabilities which arise out of the performance by the Property Managers of their obligations and duties under the Property Management Agreements unless the claim, loss or liability arises from the negligence, recklessness, wilful misconduct, fraud or criminal acts of the Property Managers or their employees, officers, agents, or representatives. The Property Managers are required to indemnify the applicable Property Holding LLCs and their officers, directors, and employees from claims, losses, and liabilities which arise out of the negligence, recklessness, wilful misconduct, fraud or criminal acts of the Property Managers or their employees, officers, agents or representatives.

With respect to 171 17th Street, the Property Manager and its officers, directors and employees are entitled to indemnification from Prime US-171 17th Street, LLC for claims, losses and liabilities which arise out of the performance by the Property Manager of its obligations and duties under the Property Management Agreement unless the claim, loss or liability arises from the gross negligence, recklessness, wilful misconduct, fraud or criminal acts of Property Manager or its employees, officers, agents, or representatives. The Property Manager is required to indemnify Prime US-171 17th Street, LLC and its officers, directors, partners, members and employees from claims, losses, and liabilities which arise out of the gross negligence, recklessness, wilful misconduct, fraud or criminal acts of Property Manager or its employees, officers, agents or representatives.

With respect to Village Center Station II, the Property Manager and its officers, directors and employees are entitled to indemnification from Prime US-Village Center Station II, LLC for third party actions, administrative proceedings, causes of action, charges, claims, commissions and costs which arise out of or relate to Village Center Station II, the overall project, or the Property Management Agreement but such indemnity does exclude any claim, loss or liability arising from the gross negligence, recklessness, wilful misconduct, fraud or criminal acts of Property Manager or its employees, officers, agents or representatives. The Property Manager is required to indemnify Prime US-Village Center Station II, LLC from third party actions, administrative proceedings, causes of action, charges, claims, commissions and costs which arise out of or relate to any gross negligence, fraud, bad faith or intentional misconduct by the Property Manager.

The Property Managers are entitled to a monthly Property Management Fee equal to a certain percentage of gross revenue income, as more specifically defined in each Property Management Agreement. Property Management Fees are assessed on a monthly basis and payable in arrears. The range in Property Management Fees for the Properties is between 0.85% to 3.0% of the gross revenue income, except that for Village Center Station II, the Property Management Fee is US$2,750.00 per month. For purposes of the Property Management Fee, rent and gross revenue include minimum rent, percentage rent, rent escalations, common area maintenance reimbursements and real estate taxes and insurance premium reimbursements, but exclude insurance proceeds, capital improvements, remodelling and tenant change costs, security deposit except to the extent applied to past due rent, prepaid rents except for the portion applied to the then current month, sums collected or paid for sales, excise or use taxes, and any amount paid for or in connection with the termination of leases or other agreements with tenants, except for terminations which the Property Holding LLCs have requested the Property Manager to negotiate. Parking revenue is excluded from the "Rent" for purposes of determining the Property Management Fee for all the Properties except for 222 Main and Tower 909. For 222 Main and Tower 909, parking revenue is included in the "Rent" for purposes of determining the Property Management Fee.

Pursuant to the Property Management Agreements, the Property Managers for all of the Properties except for One Washingtonian Center, Reston Square and CrossPoint, are also entitled to construction supervision fees in connection with providing certain construction management services for construction projects with respect to the Property managed by the Property Manager. Pursuant to separate construction management agreements with the applicable Property Holding LLCs, the Property Managers for One Washingtonian Center and Reston Square are also entitled to Construction Supervision Fees in connection with providing construction management services for certain construction projects with respect to the Property managed by the Property Manager per a separate project management agreement. There is not a construction management agreement for CrossPoint. The Construction Supervision Fees are assessed as a percentage of the total cost of the construction project as more specifically provided in each Property Management Agreement or construction management agreement, with the applicable percentage decreasing as the total cost of a construction project increases.

Pursuant to separate lease agreements with the Property Holding LLCs, the Property Managers are permitted to occupy suitable office space at each Property for the purpose of facilitating the Property Manager's employees in the discharge of the Property Manager's duties, with any rent, service charge, utility charges or other sums payable by the Property Manager passed through to the other tenants at the relevant Property as an operating expense. The compensation of and out-of-pocket costs and expenses incurred by the Property Managers for their employees, to the extent such costs and expenses appear on the budget attached as an exhibit to a Property Management Agreement or are otherwise approved by the Property Holding LLCs, are reimbursable to the Property Managers by the Property Holding LLCs.

ANNUAL REPORTS

An annual report will be issued by the Manager to Unitholders within the timeframe as set out in the Listing Manual and the CIS Code, and at least 14 days before the annual general meeting of the Unitholders, containing, among others, the following key items:

(i) if applicable, with respect to investments other than real property:

  (a) a brief description of the business;

  (b) proportion of share capital owned;

  (c) cost;

  (d) (if relevant) Directors' valuation and in the case of listed investments, market value;

  (e) dividends received during the year (indicating any interim dividends);

  (f) dividend cover or underlying earnings;

  (g) any extraordinary items; and

  (h) net assets attributable to investments;

(ii) amount of distributable income held pending distribution;

(iii) the aggregate value of all transactions entered into by the Trustee (for and on behalf of Prime US REIT) with an "interested party" (as defined in the Property Funds Appendix) or with an "interested person" (as defined in the Listing Manual) during the financial year under review;

(iv) total amount of fees paid to the Trustee;

(v) name of the manager of Prime US REIT, together with an indication of the terms and duration of its appointment and the basis of its remuneration;

(vi) total amount of fees paid to the Manager and the price(s) of the Units at which they were issued in part payment thereof;

(vii) total amount of fees paid to the Property Manager;

(viii) the NAV of Prime US REIT at the beginning and end of the financial year under review;

(ix) a statement by the Audit and Risk Committee as to whether, in its reasonable opinion, the compliance arrangements of the Manager are adequate and effective, taking into account the nature, scale and complexity of the Manager's operations, and in the event that the Audit and Risk Committee is of the view that the compliance arrangements are inadequate or ineffective, a further statement by the Audit and Risk Committee on the mitigating measures that are being taken;

(x) disclosure of Prime US REIT's compliance status with the relevant tax laws and regulations for its relevant subsidiaries or associates to qualify as a real estate investment trust for US federal income tax purposes;

(xi) the following items which are required to be disclosed in the Property Funds Appendix (as may be amended from time to time) for annual reports:

(a) details of all real estate transactions entered into during the year, including the identity of the buyers or sellers, purchase or sale prices, and their valuations (including the methods used to value the assets);

(b) details of all of Prime US REIT's real estate assets, including the location of such assets, their purchase prices and latest valuations, rentals received and occupancy rates and the remaining terms of Prime US REIT's leasehold properties, where applicable;

(c) the tenant profile of Prime US REIT's real estate assets, including the:

(A) total number of tenants;

(B) top 10 tenants, and the percentage of the total rental income attributable to each of these top 10 tenants;

(C) trade sector mix of tenants, in terms of the percentage of total rental income attributable to major trade sectors;

(D) lease maturity profile, in terms of the percentage of total rental income, for each of the next five years; and

(E) weighted average lease expiry of both Prime US REIT's portfolio and new leases entered into during the year (and the proportion of revenue attributed to these leases);

(d) in respect of the other assets of Prime US REIT, details of the:

(A) 10 most significant holdings (including the amount and percentage of fund size at market valuation); and

(B) distribution of investments in dollar and percentage terms by country, asset class (e.g. equities, mortgage-backed securities, bonds, etc.) and by credit rating of all debt securities (e.g. "AAA", "AA", etc.);

(e) details of Prime US REIT's exposure to financial derivatives, including the amount (i.e. net total aggregate value of contract prices) and percentage of derivatives investment of total fund size and at market valuation;

(f) details of Prime US REIT's investments in other property funds, including the amount and percentage of total fund size invested in;

(g) details of borrowings of Prime US REIT including the maturity profile of the borrowings;

(h) details of deferred payment arrangements entered into by Prime US REIT, if applicable;

(i) the total operating expenses of Prime US REIT, including all fees and charges paid to the Manager, advisors and interested parties (in both absolute terms, and as a percentage of Prime US REIT's NAV as at the end of the financial year) and taxation incurred in relation to Prime US REIT's real estate assets;

(j) the distributions declared by Prime US REIT for the financial year;

(k) the performance of Prime US REIT in a consistent format, covering various periods of time (e.g. 1-year, 3-year, 5-year or 10-year) whereby:

(A) in the case where Prime US REIT is unlisted, such performance is calculated on an "offer to bid" basis over the period; or

(B) in the case where Prime US REIT is listed, such performance is calculated on the change in the unit price transacted on the stock exchange over the period;

(l) Prime US REIT's NAV per unit at the beginning and end of the financial year;

(m) where Prime US REIT is listed, the Unit price quoted on the SGX-ST at the beginning and end of the financial year, the highest and lowest Unit price and the volume traded during the financial year;

(n) the amount of rental support payments received by Prime US REIT during the financial year and the effect of these payments on Prime US REIT's DPU;

(o) where the rental support arrangement is embedded in a master lease arrangement, the difference between the amount of rents derived under the master lease arrangement and the actual amount of rents from the underlying leases during the financial year; and

(p) any material deviation of actual DPU from forecast DPU, together with detailed explanations for the deviation;

(xii) such other items which may be required to be disclosed under the prevailing applicable laws, regulations and rules.

The first report will cover the period from the Listing Date to 31 December 2019 and the first annual general meeting of Prime US REIT will be held by 30 April 2020.

Additionally, Prime US REIT will announce its NAV on a quarterly basis. Such announcements will be based on the latest available valuation of Prime US REIT's real estate and real estate related assets, which will be conducted at least once a year (as required under the Property Funds Appendix).

CORPORATE GOVERNANCE OF THE MANAGER

The following outlines the main corporate governance practices of the Manager.

Board of Directors of the Manager

The Board is responsible for the overall corporate governance of the Manager including establishing goals for management and monitoring the achievement of these goals. The Board is also responsible for the strategic business direction and risk management of Prime US REIT. All Board members participate in matters relating to corporate governance, business operations and risks, financial performance, and the nomination and review of the Directors.

The Board will have in place a framework for the management of the Manager and Prime US REIT, including a system of internal audit and control and a business risk management process. The Board consists of five members, three of whom are independent directors. None of the directors of the Manager has entered into any service contract with Prime US REIT.

The composition of the Board is determined using the following principles:

- the Chairman of the Board should be a non-executive director of the Manager;
- the Board should comprise directors with a broad range of commercial experience including expertise in funds management, legal matters, audit and accounting and the property industry; and
- at least one-third of the Board should comprise independent directors.

However, according to Provision 2.2 of the Code of Corporate Governance 2018, independent directors are to make up a majority of the Board where the Chairman is not an independent director.

The composition will be reviewed regularly to ensure that the Board has the appropriate mix of expertise and experience.

Key information regarding Directors

Key information regarding Directors is set out in the following sections of the Prospectus:

- "The Manager and Corporate Governance – The Manager of Prime US REIT – Board of Directors of the Manager – Experience and Expertise of the Board of Directors of the Manager"; and
- Appendix H, "List of Present and Past Principal Directorships of Directors and Executive Officers".

Nominating and Remuneration Committee

The role of the Nominating and Remuneration Committee (the "**NRC**") is to make recommendations to the Board on all appointment and remuneration matters. The Nominating and Remuneration Committee also reviews and makes recommendations on succession plans for the Board and the executive officers.

The Nominating and Remuneration Committee's responsibilities also include:

- developing a process for evaluation of the performance of the Board, its board committees and directors;
- reviewing the training and professional development programs for the Board;
- the appointment and re-appointment of directors (including alternate directors, if any);
- determining annually, and as when circumstances require, if a director is independent;
- deciding if a director is able to and has been adequately carrying out his duties as a director of the company, taking into consideration the director's principal commitments;

- reviewing and recommending to the Board a general framework of remuneration for the Board and the executive officers;

- reviewing and recommending to the Board the specific remuneration packages for each director as well as for the executive officers; and

- reviewing Prime US REIT's obligations arising in the event of termination of executive directors' and executive officers' contracts of service and ensuring that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

Process for appointment of new Directors and succession planning for the Board

The NRC is responsible for reviewing the succession plans for the Board (in particular, the Chairman). In this regard, it will put in place a formal process for the renewal of the Board and the selection of new Directors, as follows:

- The NRC will review annually the balance and diversity of skills, experience, gender and knowledge required by the Board and the size of the Board which would facilitate decision-making;

- In light of such review and in consultation with management, the NRC will assess if there are any inadequate representations in respect of those attributes and if so, will prepare a description of the role and the essential and desirable competencies for a particular appointment;

- External help (for example, the Singapore Institute of Directors, search consultants, open advertisement) will be used to source for potential candidates if need be. Directors and management may also make suggestions;

- Meetings with the shortlisted candidates to assess suitability and to ensure that the candidate(s) are aware of the expectations and the level of commitment required; and

- The NRC makes recommendations to the Board for approval.

The Board believes that orderly succession and renewal is achieved as a result of careful planning, where the appropriate composition of the Board is continually under review.

Criteria for appointment of new Directors

All new appointments are subject to the recommendations of the NRC based on the following objective criteria:

- Integrity;

- Independent mindedness;

- Diversity – possess core competencies that meet the current needs of Prime US REIT and the Manager and complement the skills and competencies of the existing Directors on the Board;

- Able to commit time and effort to carry out duties and responsibilities effectively;

- Track record of making good decisions;

- Experience in high-performing corporations or property funds; and

- Financially literate.

Review of Directors' independence

The NRC is charged with reviewing the "independence" status of Directors annually and providing its views to the Board. The Board will bear in mind the definition of an "independent director" in the Code of Corporate Governance 2018 and guidance as to relationships the existence of which would deem a Director not to be independent, as set out in the Securities and Futures (Licensing and Conduct of Business) Regulations when making such determination.

Under the Code of Corporate Governance 2018, a Director who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of Prime US REIT, is considered to be independent. In addition, under the Securities and Futures (Licensing and Conduct of Business) Regulations, an independent Director is one who:

- is independent from the management of the Manager and Prime US REIT;

- is independent from any business relationship with the Manager and Prime US REIT;

- is independent from every substantial shareholder of the Manager and every substantial unitholder of Prime US REIT;

- is not a substantial shareholder of the Manager, or a substantial unitholder of Prime US REIT; and

- has not served on the Board for a continuous period of 9 years or longer.

Annual review of Directors' time commitments

The NRC also determines annually whether a Director with other listed company board representations and other principal commitments is able to and has been adequately carrying out his or her duties as a Director of the Manager. The NRC will take into account the results of the annual assessment of the effectiveness of the individual Director, and the respective Directors' actual conduct on the Board, in determining whether all the Directors have been able to and have adequately carried out their duties as Director notwithstanding their other listed company board representations and other principal commitments.

The NRC will adopt internal guidelines addressing competing time commitments that are faced when Directors serve on multiple boards and have other principal commitments.

Audit and Risk Committee

The Audit and Risk Committee is appointed by the Board from among the directors of the Manager and is composed of three members, a majority of whom (including the Chairman of the Audit and Risk Committee) are required to be independent directors. As at the date of this Prospectus, the members of the Audit and Risk Committee are Professor Annie Koh, Tan Ser Ping and Cheng Ai Phing. Professor Annie Koh has been appointed as the Chairman of the Audit and Risk Committee. The majority of the members of the Audit and Risk Committee are independent directors.

The role of the Audit and Risk Committee is to monitor and evaluate the effectiveness of the Manager's internal controls. The Audit and Risk Committee also reviews the quality and reliability of information prepared for inclusion in financial reports, and is responsible for the nomination of external auditors and reviewing the adequacy of external audits in respect of cost, scope and performance.

The Audit and Risk Committee's responsibilities include:

- Reviewing financial statements and formal announcements relating to financial performance, and review significant financial reporting issues and judgments contained in them, for better assurance of the integrity of such statements and announcements.
- Reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Manager's and Prime US REIT's risk management and internal controls, including financial, operational, compliance (including processes to mitigate conflicts of interests in respect of the sourcing of potential acquisitions) and information technology controls (such review can be carried out internally or with the assistance of any competent third parties).
- Reviewing the audit plans and reports of the external auditors and internal auditors, and considering the effectiveness of actions or policies taken by management on the recommendations and observations.
- Reviewing the independence and objectivity of external auditors annually.
- Reviewing the nature and extent of non-audit services performed by external auditors.
- Meeting with external and internal auditors, without the presence of management, at least annually.
- Making recommendations to the Board on the proposals to Unitholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors.
- Reviewing the adequacy and effectiveness of the Manager's and Prime US REIT's internal audit function, at least annually.
- Ensuring at least annually that the internal audit function is adequately resourced and has appropriate standing with the Manager and Prime US REIT.
- Approving the accounting/auditing firm or corporation to which the internal audit function is outsourced.
- Reviewing the policy and arrangements by which employees of the Manager and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters, to ensure that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow up action to be taken.
- Monitoring the procedures in place to ensure compliance with applicable legislation, the Listing Manual and the Code on Collective Investment Schemes (including the Property Funds Appendix).
- Reviewing related party transactions, including ensuring compliance with the provisions of the Listing Manual relating to "interested person transaction" ("**Interested Person**

Transactions") and the provisions of the Property Funds Appendix relating to "interested party transactions" ("**Interested Party Transactions**", and together with Interested Person Transactions, "**Related Party Transactions**").

- Investigating any matters within the Audit and Risk Committee's purview, whenever it deems necessary.

- Obtaining recommendations on risk tolerance and strategy from management, and where appropriate, reporting and recommending to the Board for its determination:

  (i) the nature and extent of significant risks which the Manager and Prime US REIT may take in achieving its strategic objectives; and

  (ii) overall levels of risk tolerance and risk policies.

- Reviewing and discussing, as and when appropriate, with management on the Manager's and Prime US REIT's risk governance structure and their risk policies, risk mitigation and monitoring processes and procedures.

- Receiving and reviewing at least quarterly reports from management on major risk exposures and the steps taken to monitor, control and mitigate such risks.

- Reviewing the Manager's capability to identify and manage new risk types.

- Reviewing and monitoring management's responsiveness to the recommendations of the Audit and Risk Committee.

- Providing timely input to the Board on critical risk issues.

- Reporting to the Board on material matters, findings and recommendations.

- Monitoring and reviewing of hedging policies and instruments to be implemented by Prime US REIT.

- Reviewing and recommending to the Board hedging policies and monitoring the implementation such policies.

- Reviewing the implementation of the Automatic Forfeiture mechanism in the event of changes(s) in tax regulations.

Compliance Officer

The Manager has outsourced[1] the compliance function to KCI. KCI will be tasked to carry out certain compliance functions, which include:

- updating employees of the Manager on compliance requirements under the SFA and the CIS Code (including the Property Funds Appendix);

- reviewing returns to the MAS as required under the SFA;

[1] The cost of outsourcing the Manager's compliance function to KCI will be borne by the Manager out of its own funds and not out of Unitholders' funds.

- highlighting any deficiencies or making recommendations with respect to the Manager's compliance processes; and

- assisting in any other matters concerning compliance with the SFA, the CIS Code (including the Property Funds Appendix), the Listing Manual, the Trust Deed and associated regulations and guidelines.

In addition, pursuant to the KBS Management Agreement, the Manager and the Manager US Sub have outsourced its US compliance requirement to KBS RA (as the U.S. Asset Manager) to procure such services to the Parent U.S. REIT and Property Holding LLCs. The U.S. Asset Manager will perform regulatory filings on behalf of the Parent U.S. REIT and the Property Holding LLCs, and use its commercially reasonable best efforts to assist the Parent U.S. REIT and the Property Holding LLCs in complying with applicable provisions of the relevant tax laws and regulations in the United States.

The compliance function will report to the Chief Executive Officer and the Board. Notwithstanding the outsourcing of the Manager's compliance function, the Manager is responsible for ensuring compliance with all applicable laws, regulations and guidelines.

Dealings in Units

Each Director and the Chief Executive Officer of the Manager is to give notice to the Manager of his acquisition of Units or of changes in the number of Units which he holds or in which he has an interest, within two Business Days[1] after such acquisition or the occurrence of the event giving rise to changes in the number of Units which he holds or in which he has an interest. (See "The Formation and Structure of Prime US REIT – Declaration of Unitholdings" for further details.)

All dealings in Units by the Directors will be announced via SGXNET, with the announcement to be posted on the internet at the SGX-ST website http://www.sgx.com.

The Directors and employees of the Manager are encouraged, as a matter of internal policy, to hold Units but are prohibited from dealing in the Units:

- in the period commencing one month before the public announcement of Prime US REIT's annual results and property valuations, and two weeks before the public announcement of Prime US REIT's quarterly results and ending on the date of announcement of the relevant results or, as the case may be, property valuations; and

- at any time while in possession of price sensitive information.

The Directors and employees of the Manager are also prohibited from communicating price sensitive information to any person.

Pursuant to Section 137ZC of the SFA, the Manager is required to, *inter alia*, announce to the SGX-ST the particulars of any acquisition or disposal of interest in Units by the Manager as soon as practicable, and in any case no later than the end of the Business Day following the day on which the Manager became aware of the acquisition or disposal. In addition, all dealings in Units by the Chief Executive Officer will also need to be announced by the Manager via SGXNET, with the announcement to be posted on the internet at the SGX-ST website http://www.sgx.com and in such form and manner as the Authority may prescribe.

1 "Business Day" means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and the SGX-ST is open for trading.

Management of Business Risk

The Board will meet quarterly, or more often if necessary, and will review the financial performance of the Manager and Prime US REIT against a previously approved budget. The Board will also review the business risks of Prime US REIT, examine liability management and act upon any comments from the auditors of Prime US REIT.

The Manager has appointed experienced and well-qualified management personnel to handle the day-to-day operations of the Manager and Prime US REIT. In assessing business risk, the Board will consider the economic environment and risks relevant to the property industry. The Board will review management reports and feasibility studies on individual investment projects prior to approving major transactions. The management will meet regularly to review the operations of the Manager and Prime US REIT and discuss any disclosure issues.

Potential Conflicts of Interest

The Manager is required to prioritise Unitholders' interests over those of the Manager and its shareholders in the event of a conflict of interest.

The Manager has instituted the following procedures to deal with potential conflicts of interest issues:

- The Manager will not manage any other REIT which invests in the same type of properties as Prime US REIT;

- All executive officers will be working exclusively for the Manager and will not hold other executive positions in other entities, save for any wholly-owned subsidiaries of the Manager;

- All resolutions in writing of the Directors in relation to matters concerning Prime US REIT must be approved by at least a majority of the Directors (excluding any interested Director), including at least one Independent Director;

- At least one-third of the Board shall comprise independent directors, provided that where the (i) the Chairman of the Board and the Chief Executive Officer is the same person, (ii) the Chairman of the Board and the Chief Executive Officer are immediate family members, (iii) the Chairman of the Board is part of the management team; (iv) the Chairman of the Board is not an independent director or (v) unitholders does not have the right to appoint directors, at least half the board shall comprise independent directors;

- In respect of matters in which a Director or his associates (as defined in the Listing Manual) has an interest, direct or indirect, such interested director will abstain from voting. In such matters, the quorum must comprise a majority of the directors and must exclude such interested director;

- In respect of matters in which Keppel Corporation Limited and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by KC Two and/or its subsidiaries to the Board to represent their interests will abstain from deliberation and voting on such matters. In such matters, the quorum must comprise a majority of the independent directors and must exclude nominee directors of the KC Two and/or its subsidiaries;

- In respect of matters in which KBS, KAP and/or their subsidiaries have an interest, direct or indirect, any nominees appointed by KAP and/or its subsidiaries to the Board to represent their interests will abstain from deliberation and voting on such matters. In such matters, the quorum must comprise a majority of the independent directors and must exclude nominee directors of the KAP and/or its subsidiaries;

- For the avoidance of doubt, any nominees appointed by KAP and/or its subsidiaries to the Board will not abstain from deliberating and voting on any transactions in which the Keppel Corporation Limited group has an interest (e.g. transactions involving assets sold by the Keppel Corporation Limited group to Prime US REIT and agreements involving the provision of services by the Keppel Corporation Limited group to Prime US REIT) as such nominee is not related to the Keppel Corporation Limited group. Similarly, any nominees appointed by KC Two and/or its subsidiaries to the Board will not abstain from deliberating and voting on any transactions in which KBS, KAP and/or their subsidiaries have an interest (e.g. transactions involving assets sold by REITs or funds managed by KBS, KAP and/or their subsidiaries to Prime US REIT and agreements involving the provision of services by KBS, KAP and/or their subsidiaries to Prime US REIT) as such nominee is not related to KBS, KAP and/or their subsidiaries.

- Save as to resolutions relating to the removal of the Manager, the Manager and its associates are prohibited from voting or being counted as part of a quorum for any meeting of the Unitholders convened to approve any matter in which the Manager and/or any of its associates has a material interest; and

- It is also provided in the Trust Deed that if the Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee for and on behalf of Prime US REIT with a Related Party (as defined herein) of the Manager, the Manager shall be obliged to consult with a reputable law firm (acceptable to the Trustee) who shall provide legal advice on the matter. If the said law firm is of the opinion that the Trustee, on behalf of Prime US REIT, has a *prima facie* case against the party allegedly in breach under such agreement, the Manager shall be obliged to take appropriate action in relation to such agreement. The Directors (including the independent directors) will have a duty to ensure that the Manager so complies. Notwithstanding the foregoing, the Manager shall inform the Trustee as soon as it becomes aware of any breach of any agreement entered into by the Trustee for and on behalf of Prime US REIT with a Related Party of the Manager, and the Trustee may take such action as it deems necessary to protect the rights of the Unitholders and/or which is in the interests of the Unitholders. Any decision by the Manager not to take action against a Related Party of the Manager shall not constitute a waiver of the Trustee's right to take such action as it deems fit against such Related Party.

RELATED PARTY TRANSACTIONS

"Related Party Transactions" in this Prospectus refers to "Interested Person Transactions" under the Listing Manual and "Interested Party Transactions" under the Property Funds Appendix. The definition of "Interested Person" in the Listing Manual refers to the definition of "Interested Party" used in the Property Funds Appendix.

In general, transactions between:

- an entity at risk (in this case, the Trustee (acting in its capacity as the trustee of Prime US REIT) or any of the subsidiaries or associated companies of Prime US REIT); and

- any of the Interested Parties, being:

  (i) a director, chief executive officer or controlling shareholder of the Manager, the Manager, the Trustee (acting in its personal capacity), or controlling Unitholder; or

(ii) an associate of any director, chief executive officer or controlling shareholder of the Manager, or an associate of the Manager, the Trustee (acting in its own capacity) or any controlling Unitholder,

would constitute an Interested Person Transaction.

Given the relationship between KAP and KBS, transactions between Prime US REIT with KBS REIT III and/or its associated entities, including (i) all REITs being managed by KBS and (ii) all funds (other than REITs) managed by KBS, will constitute interested person transactions under Chapter 9 of the Listing Manual.

The Manager's Internal Control System

The Manager has established an internal control system to ensure that all future Related Party Transactions:

- will be undertaken on normal commercial terms; and

- will not be prejudicial to the interests of Prime US REIT and the Unitholders.

As a general rule, the Manager must demonstrate to its Audit and Risk Committee that such transactions satisfy the foregoing criteria. This may entail:

- obtaining (where practicable) quotations from parties unrelated to the Manager; or

- obtaining two or more valuations from independent professional valuers (in compliance with the Property Funds Appendix).

The Manager will maintain a register to record all Related Party Transactions which are entered into by Prime US REIT and the bases, including any quotations from unrelated parties and independent valuations, on which they are entered into.

The Manager will also incorporate into its internal audit plan a review of all Related Party Transactions entered into by Prime US REIT. The Audit and Risk Committee shall review the internal audit reports at least twice a year to ascertain that the guidelines and procedures established to monitor Related Party Transactions have been complied with. The Trustee will also have the right to review such audit reports to ascertain that the Property Funds Appendix has been complied with. The review will include the examination of the nature of the transaction and its supporting documents or such other data deemed necessary to the Audit and Risk Committee. If a member of the Audit and Risk Committee has an interest in a transaction, he or she is to abstain from participating in the review and approval process in relation to that transaction.

Further, the following procedures will be undertaken with respect to Related Party Transactions (save for the avoidance of doubt, for those described under "Related Party Transactions in Connection with the Setting Up of Prime US REIT and the Offering" and "Exempted Agreements"):

- transactions (either individually or as part of a series or if aggregated with other transactions involving the same Related Party during the same financial year) equal to or exceeding S$100,000 in value but below 3.0% of the value of Prime US REIT's net tangible assets will be subject to review by the Audit and Risk Committee at regular intervals;

- transactions (either individually or as part of a series or if aggregated with other transactions involving the same Related Party during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of Prime US REIT's net tangible assets will be subject to the review and prior approval of the Audit and Risk Committee. Such approval shall only be given if the transactions are on normal commercial terms and not prejudicial to the interests of Prime US REIT and its Unitholders and are consistent with similar types of transactions made by the Trustee with third parties which are unrelated to the Manager; and

- transactions (either individually or as part of a series or if aggregated with other transactions involving the same Related Party during the same financial year) equal to or exceeding 5.0% of the value of Prime US REIT's net tangible assets will be reviewed and approved prior to such transactions being entered into, on the basis described in the preceding paragraph, by the Audit and Risk Committee which may, as it deems fit, request advice on the transaction from independent sources or advisers, including the obtaining of valuations from independent professional valuers. Furthermore, under the Listing Manual and the Property Funds Appendix, such transactions would have to be approved by the Unitholders at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

Pursuant to the Listing Manual, transactions with a value below S$100,000 are disregarded for the purpose of the announcement and Unitholders' approval requirements under the Listing Manual as set out in the paragraph above. Accordingly, such transactions are excluded from aggregation with other transactions involving the same Related Parties.

Where matters concerning Prime US REIT relate to transactions entered into or to be entered into by the Trustee for and on behalf of Prime US REIT with a Related Party of the Manager (which would include relevant Associates (as defined in the Listing Manual) thereof) or Prime US REIT, the Trustee is required to consider the terms of such transactions to satisfy itself that such transactions are conducted:

- on normal commercial terms;

- are not prejudicial to the interests of Prime US REIT and the Unitholders; and

- are in accordance with all applicable requirements of the Property Funds Appendix and/or the Listing Manual relating to the transaction in question.

The Trustee has the ultimate discretion under the Trust Deed to decide whether or not to enter into a transaction involving a Related Party of the Manager or the Trustee. If the Trustee is to sign any contract with a Related Party of the Manager or the Trustee, the Trustee will review the contract to ensure that it complies with the relevant requirements relating to Related Party Transactions (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST to apply to REITs.

Save for the transactions described under "Related Party Transactions in Connection with the Setting Up of Prime US REIT and the Offering" and "Exempted Agreements", Prime US REIT will comply with Rule 905 of the Listing Manual by announcing any Interested Person Transaction in accordance with the Listing Manual if the value of such transaction, by itself or when aggregated with other Interested Person Transactions entered into with the same Interested Person during the same financial year, is 3.0% or more of Prime US REIT's latest audited net tangible assets.

The aggregate value of all Related Party Transactions which are subject to Rules 905 and 906 of the Listing Manual in a particular financial year will be disclosed in the annual report of Prime US REIT for the relevant financial year.

Role of the Audit and Risk Committee for Related Party Transactions

The Audit and Risk Committee will periodically review all Related Party Transactions to ensure compliance with the Manager's internal control system, the relevant provisions of the Listing Manual, and the Property Funds Appendix. The review will include the examination of the nature of the transaction and its supporting documents or such other data deemed necessary by the Audit and Risk Committee.

If a member of the Audit and Risk Committee has an interest in a transaction, he is to abstain from participating in the review and approval process in relation to that transaction.

For the avoidance of doubt, any nominees appointed by KAP and/or its subsidiaries to the Board will not abstain from deliberating and voting on any transactions in which the Keppel Corporation Limited group has an interest (e.g. transactions involving assets sold by the Keppel Corporation Limited group to Prime US REIT and agreements involving the provision of services by the Keppel Corporation Limited group to Prime US REIT) as such nominee is not related to the Keppel Corporation Limited group. Similarly, any nominees appointed by KC Two and/or its subsidiaries to the Board will not abstain from deliberating and voting on any transactions which KBS, KAP and/or their subsidiaries have an interest (e.g. transactions involving assets sold by REITs or funds managed by KBS, KAP and/or their subsidiaries to Prime US REIT and agreements involving the provision of services by KBS, KAP and/or their subsidiaries to Prime US REIT) as such nominee is not related to KBS, KAP and/or their subsidiaries.

Related Party Transactions in Connection with the Setting Up of Prime US REIT and the Offering

Existing Agreements

Prime US REIT and its subsidiaries have entered into a number of transactions with the Manager and certain Related Parties of the Manager in connection with the setting-up of Prime US REIT. These Related Party Transactions are as follows:

- The Trustee has on 7 September 2018 entered into the Trust Deed with the Manager. The terms of the Trust Deed are generally described in "The Formation and Structure of Prime US REIT".

- On 27 June 2019, Prime US REIT's wholly-owned indirect subsidiaries, the Property Holding LLCs, entered into the Portfolio Purchase and Sale Agreement with Village Center Station II Owner, LLC, KBSIII Tower at Lake Carolyn, LLC, KBSIII One Washingtonian, LLC, KBSIII 222 Main, LLC, KBSIII 171 17th Street, LLC, KBSIII Reston Square, LLC, KBSIII 101 South Hanley, LLC, KBSIII Village Center Station, LLC, KBSIII Promenade One, LLC, KBSIII Promenade Two, LLC, KBSIII CrossPoint At Valley Forge Trust and KBSIII Towers At Emeryville, LLC (the "**Vendors**").

  The Portfolio Purchase and Sale Agreement is more particularly described in "Certain Agreements Relating to Prime US REIT and the Properties – Portfolio Purchase and Sale Agreement".

The Manager believes that the agreements set out above are made on normal commercial terms and are not prejudicial to the interests of Prime US REIT and the Unitholders.

Save as disclosed in this Prospectus, the Trustee has not entered into any other transactions with the Manager or any Related Party of the Manager in connection with the setting up of Prime US REIT.

Management Agreement

Fees payable to the U.S. Asset Manager will be paid by the Manager on a quarterly basis and will be an amount equivalent to 0.0375% of the value of investment properties of Prime US REIT as reported in its quarterly financial results as required by Rule 705 of the Listing Manual.

Exempted Agreements

The entry into and the fees and charges payable by Prime US REIT under the Trust Deed and the Portfolio Purchase and Sale Agreement (collectively, the "**Exempted Agreements**"), each of which constitutes or will, when entered into, constitute a Related Party Transaction, are deemed to have been specifically approved by the Unitholders upon subscription for the Units and are therefore not subject to Rules 905 and 906 of the Listing Manual to the extent that specific information on these agreements have been disclosed in the Prospectus and there is no subsequent change to the rates and/or bases of the fees charged thereunder which will adversely affect Prime US REIT. (See "Overview – Certain Fees and Charges" for the fees and charges payable by Prime US REIT in connection with the establishment and on-going management and operation of Prime US REIT for further details.)

Other Related Party Transactions

In line with the rules set out in Chapter 9 of the Listing Manual, a transaction the value of which is less than S$100,000 is not considered material in the context of the Offering and is not set out as a Related Party Transaction in this section.

Future Related Party Transactions

As a REIT, Prime US REIT is regulated by the Property Funds Appendix and the Listing Manual. The Property Funds Appendix regulates, among others, transactions entered into by the Trustee (for and on behalf of Prime US REIT) with an interested party relating to Prime US REIT's acquisition of assets from or sale of assets to an interested party, Prime US REIT's investment in securities of or issued by an interested party and the engagement of an interested party as property management agent or marketing agent for Prime US REIT's properties.

Depending on the materiality of transactions entered into by Prime US REIT for the acquisition of assets from, the sale of assets to or the investment in securities of or issued by, an interested party, the Property Funds Appendix may require that an immediate announcement to the SGX-ST be made, and may also require that the approval of the Unitholders be obtained.

The Listing Manual regulates all interested person transactions, including transactions already governed by the Property Funds Appendix. Depending on the materiality of the transaction, Prime US REIT may be required to make a public announcement of the transaction (Rule 905 of the Listing Manual), or to make a public announcement of and to obtain Unitholders' prior approval for the transaction (Rule 906 of the Listing Manual). The Trust Deed requires the Trustee and the Manager to comply with the provisions of the Listing Manual relating to interested person transactions as well as such other guidelines relating to interested person transactions as may be prescribed by the SGX-ST to apply to REITs.

The Manager may at any time in the future seek a general annual mandate from the Unitholders pursuant to Rule 920(1) of the Listing Manual for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations, including a general mandate in relation to leases and/or licence agreements to be entered into with interested persons.

All transactions conducted under such general mandate for the relevant financial year will not be subject to the requirements under Rules 905 and 906 of the Listing Manual. In seeking such a general annual mandate, the Trustee will appoint an independent financial adviser (without being required to consult the Manager) pursuant to Rule 920(1)(b)(v) of the Listing Manual to render an opinion as to whether the methods or procedures for determining the transaction prices of the transactions contemplated under the annual general mandate are sufficient to ensure that such transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of Prime US REIT and the Unitholders.

A proposed transaction will have to comply with both the Property Funds Appendix and the Listing Manual requirements as it is *prima facie* governed by both sets of rules. Where matters concerning Prime US REIT relate to transactions entered or to be entered into by the Trustee for and on behalf of Prime US REIT with a Related Party (either an "interested party" under the Property Funds Appendix or an "interested person" under the Listing Manual) of the Manager or Prime US REIT, the Trustee and the Manager are required to ensure that such transactions are conducted in accordance with applicable requirements of the Property Funds Appendix and/or the Listing Manual.

Subject to compliance with the applicable requirements, the Manager is not prohibited by either the Property Funds Appendix or the Listing Manual from contracting or entering into any financial, banking or any other type of transaction with the Trustee (when acting other than in its capacity as trustee of Prime US REIT) or from being interested in any such contract or transaction, provided that any such transaction shall be on normal commercial terms and is not prejudicial to the interests of Prime US REIT and the Unitholders. The Manager shall not be liable to account to the Trustee or to the Unitholders for any profits or benefits or other commissions made or derived from or in connection with any such transaction. The Trustee shall not be liable to account to the Manager or to the Unitholders for any profits or benefits or other commission made or derived from or in connection with any such transaction.

Generally, under the Listing Manual, the Manager, its "connected persons" (as defined in the Listing Manual) and any director of the Manager are prohibited from voting their respective own Units at, or being part of a quorum for, any meeting to approve any matter in which it has a material interest.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

The Manager acknowledges its responsibilities toward society, the environment and its stakeholders. Through managing its business in a fair and ethical manner, the Manager demonstrates its consideration towards employees and the wider community. It will provide a safe and healthy working environment for its employees and visitors to its premises and will ensure that sufficient information and training are made available in pursuance of their activities.

The Manager is committed to managing its impact on the world's natural resources and strives to continually to improve its environmental credentials in all of its properties and business activities.

The Manager recognises its position within the community and acknowledges that its business activities have varying impact upon the society in which it operates. The Manager endeavours to manage these in a responsible manner.

The Manager seeks to build relationships with its suppliers, investors and stakeholders for mutual benefit and for the benefit of the community.

As the Manager was recently incorporated on 26 July 2018 and Prime US REIT was recently established on 7 September 2018, the Manager has not undertaken any specific activities so far. Going forward, the Manager may also work with the Sponsor on its corporate social responsibility initiatives and leverage on the Sponsor's resources and network as a platform to reach out to society and the stakeholders of Prime US REIT for mutual benefit and for the benefit of the community in which Prime US REIT operates. Through its policies and objectives, the Manager will manage its activities and environmental impact to continuously develop and improve its corporate responsibility.

In addition, the Manager will prepare an annual sustainability report, which will constitute part of the annual report, in line with the reporting requirements of the SGX-ST, for so long as required by the SGX-ST. Such sustainability report shall include description of sustainability practices with reference to the following primary components:

(i) material environmental, social and governance factors;

(ii) policies, practices and performance;

(iii) targets;

(iv) sustainability reporting framework; and

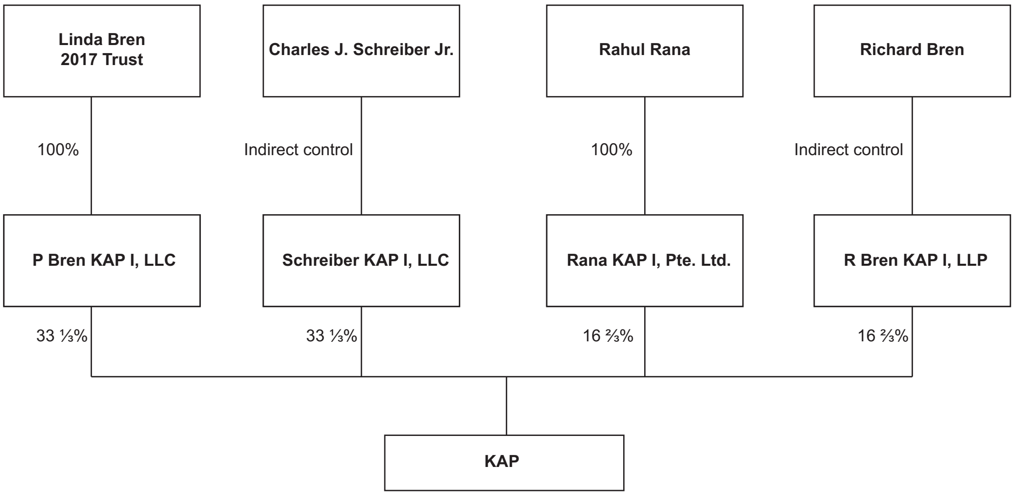
(v) a board statement.

The Manager is committed to creating an inclusive company and offering opportunities for leadership and advancement of women and minorities within its organisation.

THE SPONSOR

The Sponsor of Prime US REIT is KAP.

KAP is incorporated in Singapore and holds a 60.0% stake in the Manager. The shareholders of KAP are (i) P Bren KAP I, LLC, which holds 33⅓% of KAP and which is directly owned by Linda Bren 2017 Trust[1], (ii) Schreiber KAP I, LLC, which holds 33⅓% of KAP and which is indirectly controlled by Charles J. Schreiber Jr., (iii) Rana KAP I, Pte. Ltd., which holds 16⅔% of KAP and which is wholly-owned by Rahul Rana and (iv) R Bren KAP I, LLC, which holds 16⅔% of KAP and which is indirectly controlled by Richard Bren. The following structure sets out the ownership details of KAP:



Charles J. Schreiber Jr. has been involved in real estate development, management, acquisition, disposition and financing for more than 40 years. Since the formation of the first investment advisor affiliated with Messrs. Bren and Schreiber in 1992, Messrs. Bren and Schreiber partnered to acquire, manage, develop and sell high-quality U.S. commercial real estate assets as well as real estate related investments on behalf of investors. Together, in January 2000, Messrs. Bren and Schreiber founded KBS RA, a nationally recognised real estate investment advisor. The estate of Peter M. Bren[2] (together with other family members) indirectly owns 50% of the interests in KBS RA while Charles J. Schreiber, Jr. (together with other family members) indirectly controls the remaining 50% of the interests in KBS RA. Notwithstanding the foregoing, Charles J. Schreiber Jr. controls the voting rights with respect to the interests in KBS RA held indirectly by the estate of Peter M. Bren. Mr. Schreiber is the CEO of KBS RA.

In October 2004, KBS Holdings LLC was formed. The estate of Peter M. Bren (together with other family members) and Mr. Schreiber (together with other family members) indirectly own a majority interest in KBS Holdings. Through KBS Holdings, the estate of Peter M. Bren and Mr. Schreiber indirectly control KBS CA, with Charles J. Schreiber Jr. controlling the voting rights with respect to the interests in KBS CA held indirectly by the estate of Peter M. Bren. In addition, Mr. Schreiber is the Chief Executive Officer of KBS CA.

1 Due to the passing of Peter M. Bren on 25 April 2019, his interest in KAP has been transferred to Linda Bren 2017 Trust, whose beneficiary is Linda Bren. Linda Bren is the spouse of Peter M. Bren. KAP may utilise the funds received from the sale of its 20% stake in the Manager to Times Properties Private Limited to undertake a corporate restructuring exercise which will result in P Bren KAP I, LLC no longer being a shareholder of KAP.

2 Due to the passing of Peter M. Bren on 25 April 2019, his interest in KBS RA is currently held by his estate following which, such interest shall be transferred to an irrevocable trust whose sole beneficiary is Linda Bren and trustee is Richard Bren. Linda Bren is the spouse of Peter M. Bren.

KBS RA and KBS CA are registered as investment advisers with the U.S. Securities and Exchange Commission. Both KBS RA and KBS CA were formed in the State of Delaware in the U.S.. KBS RA and KBS CA together constitute one of the largest U.S. commercial real estate managers with approximately US$11.6 billion of assets under management as of 31 December 2018.

KBS CA is the external advisor and asset manager for KBS REIT III, which is in turn the vendor of the properties forming the IPO Portfolio. Charles J. Schreiber, Jr. is KBS REIT III's Chairman of the Board, its Chief Executive Officer and one of KBS REIT III's directors.

THE FORMATION AND STRUCTURE OF PRIME US REIT

The Trust Deed is a complex document and the following is a summary only and is qualified in its entirety by, and is subject to, the contents of the Trust Deed. Investors should refer to the Trust Deed itself to confirm specific information or for a detailed understanding of Prime US REIT. The Trust Deed is available for inspection at the principal place of business of the Manager at 1 Raffles Place, #40-01 One Raffles Place, Singapore 048616 (prior appointment would be appreciated).

Operational Structure

Prime US REIT is established with the principal investment strategy of investing, directly or indirectly, in stabilised income-producing office assets, and real estate related assets, in the U.S..

Prime US REIT aims to generate returns for its Unitholders by owning, buying and actively managing such properties in line with its investment strategy (including the selling of any property that has reached a stage that offers only limited scope for growth).

Subject to the restrictions and requirements in the Trust Deed, Property Funds Appendix and the Listing Manual, the Manager is also authorised under the Trust Deed to invest in investments which need not be real estate.

THE TRUST DEED

Prime US REIT is a REIT constituted by the Trust Deed on 7 September 2018 which has been amended and restated by an amending and restating deed entered into on 27 June 2019. Prime US REIT is principally regulated by the SFA and the CIS Code (including the Property Funds Appendix). Prime US REIT was authorised as a collective investment scheme by the MAS on 8 July 2019.

The provisions of the SFA and the CIS Code (including the Property Funds Appendix) prescribe certain terms of the Trust Deed and certain rights, duties and obligations of the Manager, the Trustee and Unitholders under the Trust Deed. The Property Funds Appendix also imposes certain restrictions on REITs in Singapore, including a restriction on the types of investments which REITs in Singapore may hold, a general limit on their level of borrowings and certain restrictions with respect to Interested Party Transactions.

The terms and conditions of the Trust Deed shall be binding on each Unitholder (and persons claiming through such Unitholder) as if such Unitholder had been a party to the Trust Deed and as if the Trust Deed contains covenants by such Unitholder to observe and be bound by the provisions of the Trust Deed and an authorisation by each Unitholder to do all such acts and things as the Trust Deed may require the Manager and/or the Trustee to do.

Under the Trust Deed, "**Authorised Investments**" means:

(i) real estate;

(ii) any improvement or extension of or addition to, or reconstruction, refurbishment, retrofitting, renovation or other development of any real estate or any building thereon;

(iii) real estate related assets, wherever the issuers, assets or securities are incorporated, located, issued or traded;

(iv) listed or unlisted debt securities and listed shares or stock and (if permitted by the Authority) unlisted shares or stock of or issued by local or foreign non-property companies or corporations;

(v) government securities (issued on behalf of the Singapore Government or governments of other countries) and securities issued by a supra-national agency or a Singapore statutory board;

(vi) cash and cash equivalent items;

(vii) financial derivatives only for the purposes of (a) hedging existing positions in Prime US REIT's portfolio where there is a strong correlation to the underlying investments or (b) efficient portfolio management, PROVIDED THAT such derivatives are not used to gear the overall portfolio of Prime US REIT or intended to be borrowings or any form of financial indebtedness of Prime US REIT; and

(viii) any other investment not covered by paragraph (i) to (vii) of this definition but specified as a permissible investment in the Property Funds Appendix and selected by the Manager for investment by Prime US REIT and approved by the Trustee in writing.

The Manager may use certain financial derivative instruments for hedging purposes or efficient portfolio management, provided that (i) such financial derivative instruments are not used to gear Prime US REIT's overall portfolio or are intended to be borrowings of Prime US REIT and (ii) the policies regarding such use of financial derivative instruments have been approved by the Board. Although the Manager may use certain financial derivative instruments to the extent permitted by such laws, rules and regulations as may be applicable including, but not limited to, the CIS Code (including the Property Funds Appendix) and the Listing Manual, the Manager presently does not have any intention for Prime US REIT to invest in options, warrants, commodities futures contracts and precious metals.

The Units and Unitholders

The rights and interests of Unitholders are contained in the Trust Deed. Under the Trust Deed, these rights and interests are safeguarded by the Trustee.

Each Unit represents an undivided interest in Prime US REIT. A Unitholder has no equitable or proprietary interest in the Deposited Property. A Unitholder is not entitled to the transfer to him of the Deposited Property (or any part thereof) or of any estate or interest in the Deposited Property or in any part of the Deposited Property (or any part thereof). A Unitholder's right is limited to the right to require due administration of Prime US REIT in accordance with the provisions of the Trust Deed, including, without limitation, by suit against the Trustee or the Manager.

Under the Trust Deed, each Unitholder acknowledges and agrees that he will not commence or pursue any action against the Trustee or the Manager seeking an order for specific performance or for injunctive relief in respect of the Deposited Property (or any part thereof), and waives any rights he may otherwise have to such relief. If the Trustee or the Manager breaches or threatens to breach its duties or obligations to a Unitholder under the Trust Deed, the Unitholder's recourse against the Trustee or the Manager is limited to a right to recover damages or compensation from the Trustee or the Manager in a court of competent jurisdiction, and the Unitholder acknowledges and agrees that damages or compensation is an adequate remedy for such breach or threatened breach.

Unless otherwise expressly provided in the Trust Deed, a Unitholder may not interfere with the rights, powers, authority or discretion of the Manager or the Trustee, exercise any right in respect of the Deposited Property (or any part thereof) or lodge any caveat or other notice affecting the Deposited Property (or any part thereof), or require that any part of the Deposited Property be transferred to such Unitholder.

No certificate shall be issued to Unitholders by either the Manager or the Trustee in respect of Units issued to Unitholders. For so long as Prime US REIT is listed on the SGX-ST, the Manager shall, pursuant to CDP's depository services terms and conditions in relation to the deposit of Units in CDP (the "**Depository Services Terms and Conditions**"), appoint CDP as the Unit depository for Prime US REIT, and all Units issued will be represented by entries in the register of Unitholders kept by the Trustee or the agent appointed by the Trustee in the name of, and deposited with, CDP as the registered holder of such Units.

The Manager or the agent appointed by the Manager shall issue to CDP, not more than 10 Business Days after the issue of Units, a confirmation note confirming the date of issue and the number of Units so issued and, if applicable, also stating that the Units are issued under a moratorium and the expiry date of such moratorium and for the purposes of the Trust Deed, such confirmation note shall be deemed to be a certificate evidencing title to the Units issued.

There are no restrictions under the Trust Deed or Singapore law on a person's right to purchase (or subscribe for) Units and to own Units, except in the case of a rights issue or (as the case may be) any preferential offering, where the Manager has the right under the Trust Deed to elect not to extend an offer of Units under the rights issue or (as the case may be) any preferential offering to Unitholders whose addresses are outside Singapore.

The Take-over Code applies to REITs. As a result, acquisitions of Units which may result in a change in effective control of Prime US REIT and the aggregate Unitholdings of an entity and its concert parties crossing certain thresholds will be subject to the mandatory provisions of the Take-over Code, such as a requirement to make a mandatory general offer for Units.

Issue of Units

The following is a summary of the provisions of the Trust Deed relating to the issue of Units.

Subject to the following sub-paragraphs (1), (2) and (3) below and to such laws, rules and regulations as may be applicable, for so long as Prime US REIT is listed on the SGX-ST or such other stock exchange of repute in any part of the world ("**Recognised Stock Exchange**"), the Manager may issue Units on any Business Day at an issue price equal to, or above, the "market price", without the prior approval of the Unitholders. For this purpose, "market price" shall mean:

(i) the volume weighted average price for a Unit (if applicable, of the same class) for all trades on the SGX-ST, or such other Recognised Stock Exchange on which Prime US REIT is listed, in the ordinary course of trading on the SGX-ST or, as the case may be, such other Recognised Stock Exchange, for the period of 10 Business Days (or such other period as may be prescribed by the SGX-ST or relevant Recognised Stock Exchange) immediately preceding (and, for the avoidance of doubt, including) the relevant Business Day;

(ii) if the Manager believes that the calculation in paragraph (i) above does not provide a fair reflection of the market price of a Unit (which may include, among others, instances where the trades on the Units are very low or where there is disorderly trading activity in the Units), an amount as determined by the Manager and the Trustee (after consultation with a stockbroker approved by the Trustee), as being the fair market price of a Unit; or

(iii) (in relation to the issue of Units to the Manager as payment of the management fees) the volume weighted average price for a Unit for all trades on the SGX-ST, or (as the case may be) such other Recognised Stock Exchange on which Prime US REIT is listed, in the ordinary course of trading on the SGX-ST or (as the case may be) the relevant

Recognised Stock Exchange, for the last 10 Business Days (or such other period as may be prescribed by the SGX-ST or relevant Recognised Stock Exchange) immediately preceding (and, for the avoidance of doubt, including):

(A) (in relation to the Base Fee) the end date of the relevant financial quarter to which such Base Fee relates; and/or

(B) (in relation to the Performance Fee) the end date of the relevant financial year to which such Performance Fee relates.

(iv) (in relation to the issue of Units to the Manager as payment of the Acquisition Fee when the Acquisition Fee is paid in the form of Units) the issue price of Units issued to finance or part finance the acquisition in respect of which the Acquisition Fee is payable or, where Units are not issued to finance or part finance the Acquisition, the prevailing market price at the time of issue of such Units as determined sub-paragraph (i) or (ii) above.

(1) For so long as Prime US REIT is listed on the SGX-ST or any other Recognised Stock Exchange, the Manager may issue Units at an issue price other than calculated in accordance with the above paragraph without the prior approval of Unitholders provided that the Manager complies with the listing rules of Singapore, or if applicable, the listing rules of the relevant Recognised Stock Exchange, the Property Funds Appendix or any other relevant laws, regulations and guidelines in determining the issue price, including the issue price for a rights issue on a pro rata basis to all existing Unitholders, the issue price of a Unit issued other than by way of a rights issue offered on a pro rata basis to all existing Unitholders and the issue price for any reinvestment of distribution arrangement. If the issue price determined by the Manager is at a discount to the market price, the discount shall not exceed such percentage as may, from time to time, be permitted under the listing rules of Singapore or, if applicable, the listing rules of the relevant Recognised Stock Exchange, the Property Funds Appendix or any other relevant laws, regulations and guidelines.

(2) Where Units are issued as full or partial consideration for the acquisition of an Authorised Investment by Prime US REIT in conjunction with an issue of Units to raise cash for the balance of the consideration for the said Authorised Investment (or part thereof) or to acquire other Authorised Investments in conjunction with the said Authorised Investment, the Manager shall have the discretion to determine that the issue price of a Unit so issued as full or partial consideration shall be the same as the issue price for the Units issued in conjunction with an issue of Units to raise cash for the aforesaid purposes.

(3) The scope of the general mandate to be given in a general meeting of the Unitholders is limited to the issue of an aggregate number of additional Units which must not exceed 50.0% of the total number of Units in issue, of which the aggregate number of additional Units to be issued other than on a pro rata basis to the existing Unitholders must not exceed 20.0% of the total number of Units in issue as at the date of the approval.

Unit Issue Mandate

By subscribing for the Units under the Offering, investors are (A) deemed to have approved the issuance of all Units comprised in the Offering, the KBS Units and the Cornerstone Units and (B) deemed to have given the authority (the "**Unit Issue Mandate**") to the Manager to:

(i) (a) issue Units whether by way of rights, bonus or otherwise; and/or

(b) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units,

at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may in its absolute discretion deem fit; and

(ii) issue Units in pursuance of any Instrument made or granted by the Manager while the Unit Issue Mandate was in force (notwithstanding that the authority conferred by the Unit Issue Mandate may have ceased to be in force at the time such Units are issued),

provided that:

(A) the aggregate number of Units to be issued pursuant to the Unit Issue Mandate (including Units to be issued in pursuance of Instruments made or granted pursuant to the Unit Issue Mandate) must not exceed 50.0% of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (B) below), of which the aggregate number of Units to be issued other than on a pro rata basis to Unitholders must not exceed 20.0% of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (B) below):

(B) subject to such manner of calculation as may be prescribed by the SGX-ST for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (A) above, the total number of issued Units (excluding treasury Units, if any) shall be based on the number of issued Units (excluding treasury Units, if any) after completion of the Offering, after adjusting for any subsequent bonus issue, consolidation or subdivision of Units;

(C) in exercising the Unit Issue Mandate, the Manager shall comply with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and the Trust Deed for the time being in force (unless otherwise exempted or waived by the MAS);

(D) (unless revoked or varied by the Unitholders in a general meeting) the authority conferred by the Unit Issue Mandate shall continue in force until (i) the conclusion of the first annual general meeting of Prime US REIT or (ii) the date by which the first annual general meeting of Prime US REIT is required by applicable regulations to be held, whichever is earlier;

(E) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted, in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by the Unit Issue Mandate may have ceased to be in force at the time the Instruments or Units are issued; and

(F) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interest of Prime US REIT to give effect to the authority conferred by the Unit Issue Mandate.

Suspension of Issue of Units

The Manager or the Trustee may, with the prior written approval of the other and subject to the Listing Manual or the listing rules of any other relevant Recognised Stock Exchange, suspend the issue of Units during any of the following events:

- any period when the SGX-ST or any other relevant Recognised Stock Exchange is closed (otherwise than for public holidays) or during which dealings are restricted or suspended;

- the existence of any state of affairs which, in the opinion of the Manager or (as the case may be) the Trustee, might seriously prejudice the interests of the Unitholders as a whole or of the Deposited Property;

- any breakdown in the means of communication normally employed in determining the price of any assets of Prime US REIT or (if relevant) the current price thereof on the SGX-ST or any other relevant Recognised Stock Exchange, or when for any reason the prices of any assets of Prime US REIT cannot be promptly and accurately ascertained;

- any period when remittance of money which will or may be involved in the realisation of any asset of Prime US REIT or in the payment for such asset of Prime US REIT cannot, in the opinion of the Manager, be carried out at normal rates of exchange;

- any period where the issuance of Units is suspended pursuant to any order or direction issued by the MAS or any other relevant regulatory authority;

- in relation to any general meeting of Unitholders, the 48-hour period before such general meeting or any adjournment thereof; or

- when the business operations of the Manager or the Trustee in relation to the operation of Prime US REIT are substantially interrupted or closed as a result of, or arising from, nationalisation, expropriation, currency restrictions, pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes, nuclear fusion or fission or acts of God.

Such suspension shall take effect forthwith upon the declaration in writing thereof by the Manager or (as the case may be) the Trustee and shall terminate on the day following the first Business Day on which the condition giving rise to the suspension ceases to exist and no other conditions under which suspension is authorised (as set out above) exists, upon the declaration in writing thereof by the Manager or (as the case may be) the Trustee.

In the event of any suspension while Prime US REIT is listed on the SGX-ST, the Manager shall ensure that immediate announcement of such suspension is made through the SGX-ST or the relevant Recognised Stock Exchange.

Repurchase and Redemption of Units

The Trust Deed provides that any redemption of Units will be carried out in accordance with the Property Funds Appendix, the rules of the Listing Manual (if applicable) and all other applicable laws and regulations. With respect to any terms which are necessary to carry out such redemption but are not prescribed by the Property Funds Appendix, the rules in the Listing Manual and any laws and regulations, these terms shall be determined by mutual agreement between the Manager and the Trustee.

For so long as the Units are listed on the SGX-ST, the Unitholders have no right to request that the Manager repurchase or redeem their Units while the Units are listed on the SGX-ST and/or any other Recognised Stock Exchange. It is intended that the Unitholders may only deal in their listed Units through trading on the SGX-ST.

Unit Buy-Back Mandate

By subscribing for the Units under the Offering, investors are deemed to have approved the exercise of all the powers of the Manager to repurchase issued Units for and on behalf of Prime US REIT not exceeding in aggregate the maximum Limit (as hereafter defined), at such price or prices as may be determined by the Manager from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market repurchase(s) on the SGX-ST and/or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted; and/or

(ii) off-market repurchase(s) (which are not market repurchase(s)) in accordance with any equal access scheme(s) as may be determined or formulated by the Manager as it considers fit in accordance with the Trust Deed, and otherwise in accordance with all applicable laws and regulations including the rules of the SGX-ST or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted, be and is hereby authorised and approved generally and unconditionally (the "**Unit Buy-Back Mandate**");

(unless revoked or varied by the Unitholders in a general meeting) the authority conferred on the Manager pursuant to the Unit Buy-Back Mandate may be exercised by the Manager at any time and from time to time during the period commencing from the Listing Date and expiring on the earliest of:

(i) the date on which the first annual general meeting of Prime US REIT is held;

(ii) the date by which the next annual general meeting of Prime US REIT is required by applicable laws and regulations or the Trust Deed to be held; or

(iii) the date on which repurchases of Units pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated.

For the purposes of the Unit Buy-Back Mandate:

"**Average Closing Price**" means the average of the closing market prices of the Units over the last five Market Days, on which transactions in the Units were recorded, immediately preceding the date of the market repurchase or, as the case may be, the date of the making of the offer pursuant to the off-market repurchase, and deemed to be adjusted for any corporate action that occurs after the relevant five Market Days;

"**date of the making of the offer**" means the date on which the Manager makes an offer for an off-market repurchase, stating therein the repurchase price (which shall not be more than the Maximum Price for an off-market repurchase) for each Unit and the relevant terms of the equal access scheme for effecting the off-market repurchase;

"**Market Day**" means a day on which the SGX-ST and/or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted, is open for trading in securities;

"**Maximum Limit**" means that number of Units representing 10.0% of the total number of issued Units as at the Listing Date; and

"**Maximum Price**" in relation to a Unit to be repurchased, means the repurchase price (excluding brokerage, stamp duty, commission, applicable goods and services tax and other related expenses) which shall not exceed:

(i) in the case of a market repurchase of a Unit, 105.0% of the Average Closing Price of the Units; and

(ii) in the case of an off-market repurchase of a Unit, 120.0% of the Average Closing Price of the Units; and

the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interests of Prime US REIT to give effect to the transactions contemplated and/or authorised under the Unit Buy-Back Mandate.

Restriction on Ownership of the Units

The Trust Deed contains restrictions on the ownership and transfer of the Units that are intended to assist Prime US REIT's subsidiaries and/or associates in qualifying as a U.S. REIT. In particular, the Trust Deed prohibits any Unitholder or other person from directly or indirectly owning in excess of the Unit Ownership Limit, being 9.8% of the outstanding Units, subject to any increase pursuant to the terms of the Trust Deed and on the recommendation of the Manager. The Trust Deed provides that Units held directly or indirectly by any person in excess of the Unit Ownership Limit will be subject to Automatic Forfeiture. While forfeited Units are held by the Trustee, all rights attributable to those Units, such as the right to vote and the right to receive distributions, will be held by the Trustee; the Unitholder that forfeited those Units will have no right to vote or receive distributions arising from such Units. The Trustee (on the recommendation of the Manager) will have the right and power to dispose of Units subject to Automatic Forfeiture, and upon such disposal the Unitholder from whom the Units are forfeited will receive the proceeds (net of any commissions and expenses) from the disposition, but not in excess of (a) the price paid by such Unitholder for the forfeited Units or (b) if such Unitholder did not give value for the forfeited Units in connection with the event causing the Units to be forfeited (e.g. in the case of a gift, a non-pro rata Unit buy-back, a non-pro rata Unit consolidation or other corporate action where no acquisition or transfer of Units by a Unitholder takes place but has the result of increasing a Unitholder's proportionate unitholdings), the market price of the Units on the day of the event causing the Automatic Forfeiture, in each case less certain distributions received by the Unitholder, any excess shall be donated by the Trustee to a charitable, philanthropic or benevolent organisation or purpose. If, prior to the discovery by the Trustee that Units are subject to Automatic Forfeiture, such Units are sold by the Unitholder, then such Units shall be deemed to have been sold on behalf of the Trustee and to the extent that such Unitholder received an amount in excess of the amount which it would otherwise have been entitled to, such excess shall be paid to the Trustee upon demand to be donated to a charitable, philanthropic or benevolent organisation or purpose.

For the avoidance of doubt, the Automatic Forfeiture is effective automatically, whether or not the Trustee or the Manager is aware of the change in ownership or aware of the fact that the Unit Ownership Limit has been breached and without any requirement for notice by the Trustee or the Manager. Unitholders are advised to manage their interests in the Units so as not to breach the Unit Ownership Limit and trigger the Automatic Forfeiture.

The Trustee, acting on the recommendation of the Manager, will also have the right and power to grant either retroactive or prospective waivers from Automatic Forfeiture. A retroactive waiver will render any Automatic Forfeiture void and will restore, as far as possible, the Unitholder whose Units were forfeited to a position that it would have been in had there been no Automatic Forfeiture. Before a waiver is granted, the Trustee and the

Manager must be satisfied (and in this respect the Trustee may act on the recommendation and rely on information provided by the Manager) that ownership of such Units will not cause any subsidiary or associate of Prime US REIT to fail to qualify as a U.S. REIT for U.S. federal income tax purposes where such subsidiary or associate would otherwise qualify. In this regard, a potential investor seeking a prospective waiver may be required to provide (i) additional representations, undertakings, a IRS ruling and/or legal opinion to satisfy the Trustee and the Manager that Prime US REIT's wholly-owned U.S. REIT subsidiary, Prime US-Sub REIT, Inc., will continue to maintain its qualification as an U.S. REIT despite the potential investor's proposed ownership and (ii) an acknowledgement and consent to the loss of the U.S. Portfolio Interest Exemption (as defined herein). The Trustee (on the recommendation of the Manager) will exercise its discretion to grant waivers except to the extent that the proposed ownership would in fact impact the Parent U.S. REIT's qualification as an U.S. REIT. The Trustee shall grant a waiver from Automatic Forfeiture upon application by an Exempted Offeror, without any recommendation from the Manager or any representations and undertakings being required, upon application for waiver from an Exempted Offeror. The Trustee, acting on the recommendation of the Manager, may also increase the Unit Ownership Limit for a Unitholder (including on a retroactive basis to remediate an Automatic Forfeiture) where such an increase would not adversely affect the Parent U.S. REIT status of the U.S. REIT. The Trustee shall not be required to give any reason for, and shall not under any circumstance be liable to or be responsible for any losses incurred by, any person as a result of, any decision, declaration or action taken or made in this regard. (See "The Formation and Structure of Prime US REIT – The Trust Deed – Restriction on Ownership of the Units" and "Taxation – U.S. Federal Income Tax Overview – U.S. Federal Income Taxation of the U.S. REIT" for further details.)

In this regard, KBS REIT Properties III will own a 24.7% interest in Prime US REIT. (See "Ownership of the Units – Principal Unitholders of Prime US REIT and their Unitholdings" for further details.) The Trustee (on the recommendation of the Manager) has granted KBS REIT Properties III a waiver from the Automatic Forfeiture for it to hold up to a 26.0% interest in Prime US REIT on the basis that (i) as advised by the Independent U.S. Tax Adviser, such waiver shall not affect the Parent U.S. REIT's qualification as an U.S. REIT for U.S. federal income tax purposes since KBS REIT Properties III is indirectly wholly-owned by KBS REIT III, a Maryland corporation that qualifies as a U.S. REIT for U.S. federal income tax purposes; and (ii) KBS REIT Properties III has provided the Trustee with an acknowledgement letter consenting to the potential loss of the U.S. Portfolio Interest Exemption. The Automatic Forfeiture provision, in part, protects the Parent U.S. REIT from being closely held (a U.S. REIT cannot be held more than 50% by five or fewer individuals). The waiver is appropriate as KBS REIT III (the owner of 100% of the indirect interests in KBS REIT Properties III) is itself a U.S. REIT that is not closely held and thus compliant with the U.S. REIT rules with respect to diversity of ownership, and in this regard, KBS REIT III's charter prohibits any person or group of persons from acquiring, directly or indirectly, beneficial or constructive ownership of more than 9.8% of its aggregate outstanding shares unless exempted by KBS REIT III's board of directors. KBS REIT III's board of directors may waive this ownership limit with respect to a particular person if KBS REIT III's board receives evidence that ownership in excess of the limit will not jeopardise its U.S. REIT status. Any attempted transfer of KBS REIT III's shares that, if effective, would result in a violation of KBS REIT III's ownership limit will be null and void and will cause the number of shares causing the violation to be automatically transferred to a trust for the exclusive benefit of one or more charitable beneficiaries. For the avoidance of doubt, the potential loss of the U.S. Portfolio Interest Exemption for KBS REIT Properties III has no impact on other Unitholders, as this relates to distributions solely to KBS REIT Properties III and not the other unitholders. In addition, the increase in the unitholding of KBS REIT Properties III would not affect the unitholding level which other Unitholders can hold (i.e. there is no reduction of the Unit Ownership Limit). Accordingly, there are no negative implications to Prime US REIT or Parent U.S. REIT arising from KBS REIT Properties III's 24.7% interest in Prime US REIT, which is above the Unit Ownership Limit, and the potential loss of the U.S. Portfolio Interest Exemption for KBS REIT Properties III for the reasons set out in the foregoing. There is no maximum unitholding by KBS REIT Properties III that would negatively affect the Parent U.S. REIT's qualification as a U.S. REIT.

Regardless of KBS REIT III's qualification as a U.S. REIT, the Unit Ownership Limit waiver of KBS REIT Properties III contains, among others, a representation that there is no individual (including after application of the attribution rules) owning a direct or indirect interest of more than 9.8% in KBS REIT III. In order for the Unit Ownership Limit waiver to remain effective, these representations must remain true. In the event they are no longer true, the Automatic Forfeiture provisions will automatically and retroactively protect the U.S. REIT status of Parent U.S. REIT. Any increase in the Unit Ownership Limit of KBS REIT Properties III will be subject to a re-assessment of the waiver by the Trustee. The basis of any such waiver would be on the same or similar representations regarding ownerships as discussed herein and would likely be granted as long as there would not be any negative U.S. federal income tax consequences to Prime US REIT or the Parent U.S. REIT's qualification as a U.S. REIT. Such an increased waiver, the basis of such waiver and any U.S. federal income tax consequences to Prime US REIT or the Parent U.S. REIT's qualification as a U.S. REIT would be announced by the Manager.

Similar Unit Ownership Limit waivers would be granted to other Unitholders seeking a waiver on the same basis, and with the same automatic and retroactive protections, provided that the Trustee and the Manager are satisfied that ownership of the Units will not cause any subsidiary or associate of Prime US REIT to fail to qualify as a U.S. REIT for U.S. federal income tax purposes where such subsidiary or associate would otherwise qualify.

The Manager and the Trustee propose to adopt the following procedures to monitor compliance with the Unit Ownership Limit:

- **Identification of Substantial Unitholders:** The Manager and the Trustee intend to rely on the existing disclosure regime under the SFA to identify Unitholders who may be at risk of exceeding the Unit Ownership Limit. Pursuant to Section 137U of the SFA, any Unitholder:

  (i) that becomes or ceases to become a Substantial Unitholder (as defined herein) of Prime US REIT; and

  (ii) that is a Substantial Unitholder, and is made aware of a change in the percentage level of its interest or interests in Prime US REIT,

  is under a duty to notify Prime US REIT of the nature and extent of its interest in Prime US REIT. Further, pursuant to Section 137X of the SFA, the Trustee has the power, *inter alia*, to require a Unitholder to specify whether it holds the Units as a beneficial owner or trustee and to indicate, as far as it can, the persons for whom it holds the interest and the nature of their interest.

- **Notice to Substantial Unitholders:** A notice will be sent to a Substantial Unitholder who has notified Prime US REIT. pursuant to the SFA disclosure regime informing the Substantial Unitholder of the Unit Ownership Limit and the consequences of exceeding the Unit Ownership Limit and may request additional information regarding such Substantial Unitholder's indirect ownership of Units. Substantial Unitholders are advised to manage their interests in the Units so as not to breach the Unit Ownership Limit and trigger the Automatic Forfeiture. On a fortnightly basis, the Manager also intends to review Prime US REIT's Register of Holders and Depository Register to identify any Unitholders whose Units have been subject to Automatic Forfeiture and send the Notice of Automatic Forfeiture to such Unitholder(s) within five business days. Where the aggregate holdings of a depository agent approaches 9.8% of the outstanding Units, the Manager intends to send a request to the depository agent to (a) provide details of the holdings of its beneficial owners and (b) notify the Manager if any of its beneficial owners holds an interest in more than 9.8% of the outstanding Units. Any person who acquires or attempts or intends to acquire direct or indirect ownership of Units that will or may violate the Unit Ownership Limit must give immediate written notice to the Manager at least 15 days prior to a proposed or intended acquisition or, if later, immediately after becoming aware of the acquisition or proposed acquisition. Such person may be requested to provide such other information as may be requested by the Manager in order to determine the effect of such acquisition or proposed acquisition on the qualification of Parent U.S. REIT. Any such person will be deemed to have acknowledged the potential loss of the portfolio interest exemption.

- **Notice of Automatic Forfeiture:** In the event that a Unitholder's direct or indirect ownership of Units exceeds the Unit Ownership Limit and where the Trustee (on the recommendation of the Manager) declines to grant a retroactive waiver from Automatic Forfeiture in accordance with the Trust Deed, a notice will be sent to the Unitholder informing it of the Automatic Forfeiture and that instructions will be sent to CDP for the forfeited Units to be transferred.

- **CDP Transfer Instruction:** Following the issuance of the Notice of Automatic Forfeiture, the Trustee (on the recommendation of the Manager) will provide written instruction to CDP to transfer the Units subject to Automatic Forfeiture to a holding account controlled by the Trustee and CDP shall act on the Trustee's instructions. The Trustee (on the recommendation of the Manager) will appoint a broker-dealer who will arrange for the Units subject to Automatic Forfeiture to be sold on-market.

- **Remittance of Proceeds:** Upon disposal of Units subject to Automatic Forfeiture, the Trustee will, through CDP, remit the proceeds (if any) from such Disposal to the Unitholder from whom the disposed Units were forfeited.

In relation to the foregoing, the Trustee shall:

(a) indemnify CDP and hold CDP harmless against all claims, demands, losses and liabilities, for which CDP may become liable, arising out of or in connection with CDP accepting or acting on any instructions from the Trustee for the sale of the Units subject to Automatic Forfeiture; and

(b) further agree that CDP shall not be liable for any claims, demands, losses and liabilities, including loss of profits, goodwill or any type of special, indirect or consequential loss or damages, for which the Trustee or Prime US REIT may become liable, arising out of or in connection with CDP accepting or acting on a CDP Transfer Instruction,

provided that such losses had not arisen or been caused by CDP's negligence or wilful misconduct.

For the avoidance of doubt, provided that reasonably satisfactory evidence has been provided to CDP upon its request for additional information for clarification (if any), CDP shall have no obligation to verify that the depositors in a CDP Transfer Instruction are in breach of the Unit Ownership Limit, prior to the transfer of the Units subject to Automatic Forfeiture pursuant to a CDP Transfer Instruction.

Note that the above procedures which make use of the determination of interests pursuant to the SFA disclosure regime will be used by the Manager and the Trustee to monitor compliance with the Unit Ownership Limit only, but the Unit Ownership Limit is computed pursuant to the rules of the IRC (as defined herein) which includes rules relating to Beneficial Ownership (through the application of Section 544 of the IRC, as modified by Section 856(h) of the IRC) and Constructive Ownership (through the application of Section 318(a) of the IRC, as modified by Section 856(d)(5) of the IRC) which could be different from interests in Units as determined pursuant to the SFA. The Trustee has the right to terminate the Automatic Forfeiture mechanism once the Trustee (on the recommendation of the Manager) has determined that maintaining restrictions on beneficial ownership, constructive ownership and transfer of units is no longer in the best interest of Prime US REIT.

The Manager and Trustee are of the view that no Unitholder would suffer any prejudice in connection with the Automatic Forfeiture and subsequent disposal of the Units subject to Automatic Forfeiture as such Unitholder will be entitled to receive the proceeds (net of any commissions and expenses) from the disposition, but not in excess of (a) the price paid by such Unitholder for the forfeited Units or (b) if such Unitholder did not give value for the forfeited Units in connection with the event causing the Units to be forfeited (e.g. in the case of a gift, a non-pro rata Unit buy-back, a non-pro rata Unit consolidation or other corporate action where no acquisition or transfer of Units by a Unitholder takes place but has the result of increasing a Unitholder's proportionate unitholdings), the market price of the Units on the day of the event causing the Automatic Forfeiture, in each case less certain distributions received by the Unitholder.

Rights and Liabilities of Unitholders

The key rights of Unitholders include rights to:

- receive income and other distributions attributable to the Units held;
- receive audited accounts and the annual reports of Prime US REIT; and
- participate in the termination of Prime US REIT by receiving a share of all net cash proceeds derived from the realisation of the assets of Prime US REIT less any liabilities, in accordance with their proportionate interests in Prime US REIT.

No Unitholder has a right to require that any asset of Prime US REIT be transferred to him.

Further, Unitholders shall not give any directions to the Trustee or the Manager (whether at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed or otherwise) if it would require the Trustee or the Manager to do or omit doing anything which may result in:

- Prime US REIT, the Manager or the Trustee, as the case may be, ceasing to comply with the Listing Manual or, if applicable, the listing rules of the relevant Recognised Stock Exchange, and all other applicable laws and regulations; or
- the exercise of any discretion expressly conferred on the Trustee or the Manager by the Trust Deed or the determination of any matter which, under the Trust Deed, requires the agreement of (i) the Trustee, (ii) the Manager or (iii) both the Trustee and the Manager.

The Trust Deed contains provisions that are designed to limit the liability of a Unitholder to the amount paid or payable for any Unit. The provisions provide that a Unitholder shall not be liable to the Manager or the Trustee to make any further payments to Prime US REIT after it has fully paid the consideration to acquire its Units and no further liability shall be imposed on such Unitholder in respect of its Units. The provisions ensure that if the issue price of the Units held by a Unitholder has been fully paid, no such Unitholder, by reason alone of being a Unitholder, will be personally liable to indemnify the Trustee or any creditor of Prime US REIT in the event that the liabilities of Prime US REIT exceed its assets.

Under the Trust Deed, every Unit carries the same voting rights.

Amendments of the Trust Deed

Approval of Unitholders by an Extraordinary Resolution will be obtained for any amendment of the Trust Deed unless the Trustee certifies, in its opinion, that such amendment:

- does not materially prejudice the interests of Unitholders and does not operate to release to any material extent the Trustee or the Manager from any responsibility to the Unitholders;
- is necessary in order to comply with applicable fiscal, statutory or official requirements (whether or not having the force of law), including, without limitation, requirements under all other applicable laws, regulations and guidelines; or
- is made to remove obsolete provisions or to correct a manifest error.

No such amendment shall impose upon any Unitholder any obligation to make any further payments in respect of his Units or to accept any liability in respect thereof.

Notwithstanding any of the above, the Manager and the Trustee may, with the written approval of the relevant authorities (including, without limitation, the MAS), alter certain provisions in the Trust Deed relating to the use of derivatives.

Meeting of Unitholders

Under applicable law and the provisions of the Trust Deed, Prime US REIT will not hold any meetings for Unitholders unless the Trustee or the Manager convenes a meeting or unless not less than 50 Unitholders or Unitholders representing not less than 10.0% of the total Units issued gives written request for a meeting to be convened. In addition, Prime US REIT is required to hold an annual general meeting once in every calendar year and not more than 15 months after the holding of the last preceding annual general meeting, but so long as Prime US REIT holds its first annual general meeting within 18 months of its constitution, it need not hold it in the year of its constitution or the following year. Furthermore, the Trust Deed shall comply with paragraph 4 of the Property Funds Appendix.

Unitholders may by Extraordinary Resolution and in accordance with the provisions of the Trust Deed:

- sanction any modification, alteration or addition to the Trust Deed which shall be agreed by the Trustee and the Manager as provided in the Trust Deed;
- sanction a supplemental deed increasing the maximum permitted limit or any change in the structure of the fees payable to the Manager and the Trustee;
- remove the auditors and appoint other auditors in their place;
- remove the Trustee;
- direct the Trustee to take any action pursuant to Section 295 of the SFA (relating to the winding up of Prime US REIT); and
- delist Prime US REIT after it has been listed.

Unitholders may also by an Ordinary Resolution of Unitholders present and voting at a meeting of Unitholders convened in accordance with the Trust Deed, vote to remove the Manager (with the Manager and its related parties being permitted to vote).

Any decision to be made by resolution of Unitholders other than the above shall be made by Ordinary Resolution, unless an Extraordinary Resolution is required by the SFA, the CIS Code or the Listing Manual.

Except as otherwise provided for in the Trust Deed, and save for an Extraordinary Resolution (which requires at least 21 days' notice) (not inclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given), at least 14 days' notice (not inclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every meeting shall be given to the Unitholders in the manner provided in the Trust Deed. Each notice shall specify the place, day and hour of the meeting, and the terms of the resolutions to be proposed. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolutions in respect of such special business.

The quorum at a meeting shall not be less than two Unitholders (whether present in person or by proxy) together holding or representing one-tenth in value of all the Units for the time being in issue.

All meetings convened shall be held in Singapore.

Subject to the prevailing listing rules by the SGX-ST, voting at a meeting shall be by poll. Unitholders do not have different voting rights on account of the number of votes held by a particular Unitholder. On a poll, every Unitholder has one vote for each Unit of which it is the Unitholder. The Trust Deed does not contain any limitation on non-Singapore resident or foreign Unitholders holding Units or exercising the voting rights with respect to their Unitholdings.

Neither the Manager nor any of its Associates shall be entitled to vote or be counted as part of a quorum at a meeting convened to consider a matter in respect of which the Manager or any of its Associates has a material interest save for an Ordinary Resolution duly proposed to remove the Manager, in which case, no Unitholder shall be disenfranchised.

For so long as the Manager is the manager of Prime US REIT, the controlling shareholders (as defined in the Listing Manual) of the Manager and of any of its Associates are prohibited from voting or being counted as part of a quorum for any meeting of Unitholders convened to consider a matter in respect of which the relevant controlling shareholders of the Manager and of any of its Associates have a material interest.

Electronic Communications

The Manager may send documents, including notices, circulars and annual reports, using electronic communications to a Unitholder if there is express consent from that Unitholder.

In addition, by subscribing for the Units under the Offering, Unitholders are deemed to have consented to the use of electronic communications to send documents, including circulars and annual reports via either:

(A) Deemed Consent provided that the Manager has separately notified the Unitholder directly in writing on at least one occasion of the following:

(i) that the Unitholder has a right to elect, within a time specified in the notice from Prime US REIT, whether to receive documents in either electronic or physical copies;

(ii) that if the Unitholder does not make an election, documents will be sent to the Unitholder by way of electronic communications;

(iii) the manner in which electronic communications will be used is the manner specified in the Trust Deed;

(iv) that the election is a standing election, but that the Unitholder may make a fresh election at any time; and

(v) until the Unitholder makes a fresh election, the election that is conveyed to the Manager last in time prevails over all previous elections as the Unitholder's valid and subsisting election in relation to all documents to be sent; or

(B) Implied Consent provided that the Manager shall inform the Unitholder as soon as practicable of how to request a physical copy of that document from the issuer. The Manager shall provide a physical copy of that document upon such request.

The Trust Deed:

(i) provides for the use of electronic communications;

(ii) specifies the manner in which electronic communications is to be used; and

(iii) (a) (in the case of deemed consent) specifies that the Unitholder will be given an opportunity to elect within a specified period of time, whether to receive such document by way of electronic communications or as a physical copy and (b) (in the case of implied consent) provides that the Unitholder shall agree to receive such document by way of such electronic communications and shall not have a right to elect to receive a physical copy of such document.

Notwithstanding the above, the Manager shall send the following documents to Unitholders by way of physical copies:

(1) forms or acceptance letters that shareholders may be required to complete;

(2) notice of meetings, excluding circulars or letters referred in that notice;

(3) notices and documents relating to takeover offers and rights issues; and

(4) notices under Listing Rules 1211 and 1212.

Tax Compliance

The Manager is responsible for ensuring that Prime US REIT complies with all taxation matters applicable to it, including but not limited to entering into a withholding foreign partnership agreement with the U.S. Internal Revenue Service. The Manager shall (or shall instruct the Trustee to) tend to any registrations, notifications, filings or other reporting requirements imposed as a consequence of the foregoing.

KBS US Prime Property Management Sub, LLC a wholly owned subsidiary of the Manager, shall serve as the "partnership representative" under U.S. tax rules regarding partnership audits.

DECLARATION OF UNITHOLDINGS

Duty of Manager to Make Disclosure

Pursuant to Section 137ZC of the SFA, where the Manager acquires or disposes of interests in Units or debentures or units of debentures of Prime US REIT, or the Manager has been notified in writing by, *inter alia*, a Substantial Unitholder or director or Chief Executive Officer of the Manager pursuant to the unitholdings disclosure requirements of the SFA as set out below, the Manager shall announce such information via SGXNET and in such form and manner as the Authority may prescribe as soon as practicable and in any case no later than the end of the Business Day following the day on which the Manager became aware of the acquisition or disposal or received the notice.

Substantial Unitholdings

Pursuant to Sections 135 to 137B of the SFA (read with Section 137U of the SFA), Substantial Unitholders are required to notify the Manager and the Trustee within two Business Days after becoming aware of their becoming a Substantial Unitholder, any subsequent change in the percentage level of their interest(s) in Units (rounded down to the next whole number) or their ceasing to be a Substantial Unitholder.

Directors and Chief Executive Officer of the Manager

Pursuant to Section 137Y of the SFA, directors and chief executive officers of the Manager are required to, within two Business Days, notify the Manager of their acquisition of interest in Units or of changes to the number of Units which they hold or in which they have an interest.

A director or chief executive officer of the Manager is deemed to have an interest in Units in the following circumstances:

- Where the director or chief executive officer is the beneficial owner of a Unit (whether directly through a direct securities account or sub-account maintained by a Depositor (as defined in Section 130A of the Companies Act) with CDP ("**Securities Account**") or indirectly through a depository agent or otherwise).

- Where a body corporate is the beneficial owner of a Unit and the director or chief executive officer is entitled to exercise or control the exercise of not less than 20.0% of the votes attached to the voting shares in the body corporate.

- Where the director's or chief executive officer's (i) spouse or (ii) son, adopted son, stepson, daughter, adopted daughter or step-daughter below the age of 21 years has any interest in a Unit.

- Where the director or chief executive officer, his (i) spouse or (ii) son, adopted son, stepson, daughter, adopted daughter or step-daughter below the age of 21 years:

    - has entered into a contract to purchase a Unit;

    - has a right to have a Unit transferred to any of them or to their order, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not;

    - has the right to acquire a Unit under an option, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not; or

- ○ is entitled (otherwise than by reason of any of them having been appointed a proxy or representative to vote at a meeting of Unitholders) to exercise or control the exercise of a right attached to a Unit, not being a Unit of which any of them is the holder.

- Where the property subject to a trust consists of or includes a Unit and the director or chief executive officer knows or has reasonable grounds for believing that he has an interest under the trust and the property subject to the trust consists of or includes such Unit.

THE TRUSTEE

The trustee of Prime US REIT is DBS Trustee Limited. It is a company incorporated in Singapore and licensed as a trust company under the Trust Companies Act. It is approved to act as a trustee for authorised collective investment schemes under Section 289(1) of the SFA and is regulated by the MAS. As at the date of this Prospectus, DBS Trustee Limited has a paid-up capital of S$2.5 million. Its place of business is located at 12 Marina Boulevard Level 44, Marina Bay Financial Centre Tower 3, Singapore 018982.

The Trustee is independent of the Manager.

Powers, Duties and Obligations of the Trustee

The Trustee's powers, duties and obligations are set out in the Trust Deed. The powers and duties of the Trustee include:

- acting as trustee of Prime US REIT and, in such capacity, safeguarding the rights and interests of the Unitholders, for example, by satisfying itself that transactions it enters into for and on behalf of Prime US REIT with a Related Party of the Manager, the Trustee or Prime US REIT are conducted on normal commercial terms, are not prejudicial to the interests of Prime US REIT or the Unitholders, and in accordance with all applicable requirements under the Property Funds Appendix and/or the Listing Manual relating to the transaction in question;

- holding the assets of Prime US REIT on trust for the benefit of the Unitholders in accordance with the Trust Deed; and

- exercising all the powers of a trustee and the powers that are incidental to the ownership of the assets of Prime US REIT.

The Trustee has covenanted in the Trust Deed that it will exercise all due care, diligence and vigilance in carrying out its functions and duties, and in safeguarding the rights and interests of Unitholders.

In the exercise of its powers, the Trustee may (on the recommendation of the Manager) and subject to the provisions of the Trust Deed, acquire or dispose of any real or personal property, borrow and encumber any asset.

The Trustee may, subject to the provisions of the Trust Deed, appoint and engage:

- a person or entity to exercise any of its powers or perform its obligations; and

- any real estate agents or managers or service providers or such other persons, including a Related Party of the Manager on an arm's length basis and on normal commercial terms, in relation to the project management, development, leasing, lease management, marketing, property management, purchase or sale of any real estate assets and real estate related assets.

Subject to the Trust Deed and the Property Funds Appendix, the Manager may direct the Trustee to borrow or raise money or obtain other financial accommodation for the purposes of Prime US REIT, both on a secured and unsecured basis.

The Trustee must carry out its functions and duties and comply with all the obligations imposed on it as set out in the Trust Deed, the Listing Manual, the SFA, the CIS Code (including the Property Funds Appendix), the Take-over Code, any tax ruling and all other relevant laws. It must retain Prime US REIT's assets, or cause Prime US REIT's assets to be retained, in safe custody and cause Prime US REIT's accounts to be audited. Pursuant to the Trust Deed, it can appoint any custodian, joint-custodian or sub-custodian (including, without limitation, any Related Party of the Trustee) in relation to the whole or any part of Prime US REIT's assets. It can appoint valuers to value the real estate assets and real estate related assets of Prime US REIT.

The Trustee is not personally liable to a Unitholder in connection with the office of the Trustee except in respect of its own fraud, gross negligence, wilful default, breach of the Trust Deed or breach of trust. Any liability incurred and any indemnity to be given by the Trustee shall be limited to the assets of Prime US REIT over which the Trustee has recourse, provided that the Trustee has acted without fraud, gross negligence, wilful default or breach of the Trust Deed. The Trust Deed contains certain indemnities in favour of the Trustee under which it will be indemnified out of the assets of Prime US REIT for liability arising in connection with certain acts or omissions. These indemnities are subject to any applicable laws.

Retirement and Replacement of the Trustee

The Trustee may retire or be replaced under the following circumstances:

- The Trustee shall not be entitled to retire voluntarily except upon the appointment of a new trustee (such appointment to be made in accordance with the provisions of the Trust Deed).

- The Trustee may be removed by notice in writing to the Trustee by the Manager:

  - if the Trustee goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Manager) or if a receiver is appointed over any of its assets or if a judicial manager is appointed in respect of the Trustee;

  - if the Trustee ceases to carry on business;

  - if the Trustee fails or neglects after reasonable notice from the Manager to carry out or satisfy any material obligation imposed on the Trustee by the Trust Deed;

  - if the Trustee is in breach of any material obligation imposed on the Trustee by the Trust Deed, and such breach has not been cured or remedied within 60 days of receipt of written notice of such breach from the Manager, provided that at the end of 60 days, the cure period may be extended for such other period as may be agreed between the Manager and the Trustee;

  - if the Unitholders, by Extraordinary Resolution duly passed at a meeting of Unitholders held in accordance with the provisions of the Trust Deed, and of which not less than 21 days' notice has been given to the Trustee and the Manager, shall so decide; or

  - if the MAS directs that the Trustee be removed.

Trustee's Fee

Pursuant to Clause 15.4 of the Trust Deed, the Trustee's fee shall not exceed 0.1% per annum of value of the Deposited Property, subject to a minimum amount of S$15,000 per month, excluding out-of-pocket expenses and GST. The Trustee's fee is accrued daily and will be paid monthly in arrears in accordance with the Trust Deed.

The actual fee payable will be determined between the Manager and the Trustee from time to time.

The Trustee will also be paid a one-time establishment fee as may be agreed between the Trustee and the Manager, subject to a maximum of S$60,000.

TERMINATION OF PRIME US REIT

Under the provisions of the Trust Deed, the duration of Prime US REIT shall end on the earliest of:

- such date as may be provided under applicable laws and regulations;
- the date on which Prime US REIT is terminated by the Manager in such circumstances as set out under the provisions of the Trust Deed as described below; or
- the date on which Prime US REIT is terminated by the Trustee in such circumstances as set out under the provisions of the Trust Deed as described below.

The Manager may in its absolute discretion terminate Prime US REIT by giving notice in writing to all Unitholders or, as the case may be, the Depository and the Trustee not less than three months in advance and to the MAS not less than seven days before the termination in any of the following circumstances:

- if any law shall be passed which renders it illegal or in the opinion of the Manager impracticable or inadvisable for Prime US REIT to exist;
- if the NAV of the Deposited Property shall be less than S$50.0 million after the end of the first anniversary of the date of the Trust Deed or any time thereafter; and
- if at any time Prime US REIT becomes unlisted after it has been listed.

Subject to the SFA and any other applicable law or regulation, Prime US REIT may be terminated by the Trustee by notice in writing in any of the following circumstances:

- if the Manager shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver is appointed over any of its assets or if a judicial manager is appointed in respect of the Manager or if any encumbrancer shall take possession of any of its assets or if it shall cease business and the Trustee fails to appoint a successor manager in accordance with the provisions of the Trust Deed;
- if any law shall be passed which renders it illegal or in the opinion of the Trustee impracticable or inadvisable for Prime US REIT to exist; and
- if within the period of three months from the date of the Trustee expressing in writing to the Manager the desire to retire, the Manager shall have failed to appoint a new trustee in accordance with the provisions of the Trust Deed.

The decision of the Trustee in any of the events specified above shall be final and binding upon all the parties concerned but the Trustee shall be under no liability on account of any failure to terminate Prime US REIT pursuant to the paragraph above or otherwise. The Manager shall accept the decision of the Trustee and relieve the Trustee of any liability to it and hold it harmless from any claims whatsoever on its part for damages or for any other relief.

Generally, upon the termination of Prime US REIT, the Trustee shall, subject to any authorisations or directions given to it by the Manager or the Unitholders pursuant to the Trust Deed, sell the Deposited Property and repay any borrowings incurred on behalf of Prime US REIT in accordance with the Trust Deed (together with any interest accrued but remaining unpaid) as well as all other debts and liabilities in respect of Prime US REIT before distributing the balance of the Deposited Property to the Unitholders in accordance with their proportionate interests in Prime US REIT.

CERTAIN AGREEMENTS RELATING TO PRIME US REIT AND THE PROPERTIES

The agreements discussed in this section are complex documents and the following is a summary only. Investors should refer to the agreements themselves to confirm specific information or for a detailed understanding of Prime US REIT. The agreements are available for inspection at the principal place of business of the Manager at 1 Raffles Place, #40-01 One Raffles Place, Singapore 048616 (prior appointment would be appreciated).

PORTFOLIO PURCHASE AND SALE AGREEMENT

On 27 June 2019, Prime US REIT's wholly-owned subsidiaries, the Property Holding LLCs, entered into the Portfolio Purchase and Sale Agreement with the Vendors.

The aggregate purchase price of the IPO Portfolio is US$1,222 million, allocated to each property as follows:

- Tower I at Emeryville: US$121.1 million;
- 222 Main: US$211.3 million;
- Village Center Station I: US$89.2 million;
- Village Center Station II: US$144.6 million;
- 101 South Hanley: US$79.7 million;
- Tower 909: US$76.3 million;
- Promenade I & II: US$72.8 million;
- CrossPoint: US$97.7 million;
- One Washingtonian Center: US$102.1 million;
- Reston Square: US$51.0 million; and
- 171 17th Street: US$176.5 million.

Adjustments to Purchase Price and Pro-Rations; Closing Costs.

The Portfolio Purchase and Sale Agreement provides that the aggregate purchase price is subject to the usual closing adjustments typical for property transactions such as tenant security deposits, utility deposits, if any, owners deposits with governmental agencies, if any, pro-ration of rent, pro-ration of real estate taxes, and credits against the aggregate purchase price for certain unpaid leasing costs. Under the Portfolio Purchase and Sale Agreement, Prime US REIT, through the applicable Property Holding LLCs (each, a "**Purchaser**") will acquire the real estate buildings, improvements and other related assets constituting the Properties. All revenues and expenses from the operation of the applicable Property (including under leases and assumed contracts) will be prorated on the closing date and adjusted against the applicable purchase price. Further adjustments may, under certain circumstances, be made for such revenues and expenses accrued but not paid at the closing date within 90 days after closing. In addition, each Purchaser is responsible for payment of certain closing costs related to the acquisition of the applicable Property. Closing costs generally include transfer taxes (if any), the premiums for the title insurance policies and escrow fees payable to the escrow agent. The Purchaser and the Vendors will allocate responsibility for transfer taxes, title insurance premiums and escrow fees in accordance with the local custom in the jurisdiction where the applicable Property is located, excluding premiums for any extended coverage and endorsements which will be paid by the applicable Purchaser.

Opportunity of Each Purchaser to Conduct Its Due Diligence.

The Portfolio Purchase and Sale Agreement recites that each Purchaser has had the opportunity to conduct its own due diligence with respect to the applicable Property, including environmental due diligence and review of the property-level documentation provided by the applicable Vendor, such as surveys, title insurance policies, leases and other contracts affecting the Property, and environmental reports and property information. Each Purchaser has also had the opportunity to conduct its own review of title to the applicable Property.

Assignment and Assumption of Contracts.

The Portfolio Purchase and Sale Agreement provides for all of the contracts referenced therein to be assigned by each Vendor to the corresponding Purchaser at the closing, and for each such Purchaser to assume the corresponding Vendor's obligations under such contracts, except that the existing property management agreements and leasing agreements shall be terminated and, notwithstanding such termination, each Purchaser shall assume the obligation to pay all lease commission payable under such property management agreements and leasing agreements affecting its Property to the extent arising out of the lease of space after the closing.

Assignment and Assumption of Leases.

The Portfolio Purchase and Sale Agreement provides for all of the leases in effect at the closing to be assigned by each Vendor to the corresponding Purchaser at the closing, and for each such Purchaser to assume the corresponding Vendor's obligations under such leases.

Damage and Destruction and Condemnation/ Eminent Domain.

The Portfolio Purchase and Sale Agreement provides that each Purchaser has the right to terminate the Portfolio Purchase and Sale Agreement with respect to a specific Property (in which event the purchase price is reduced by the amount of the purchase price allocated to such specific Property in the Portfolio Purchase and Sale Agreement), upon notice to the applicable Vendor, if (a) a Property suffers damage exceeding 10% of the Purchase Price attributable to such Property, as reasonably determined by the applicable Vendor, or (b) if a Property is subject to a taking by eminent domain or condemnation by a governmental authority and the portion of the Property subject to such eminent domain or condemnation action has a "fair market value" exceeding 10% of the Purchase Price attributable to such Property, as reasonably determined by the applicable Vendor.

As-Is.

The Portfolio Purchase and Sale Agreement provides for the Vendors to convey the Properties "AS IS, WHERE IS" with limited representations and warranties by each of the parties. The Vendors' representations include that (a) to the Vendor's actual knowledge, except as disclosed therein, the Vendor has not received written notice from any governmental authority in the last 12 months stating that the relevant Property is not in compliance with applicable laws except with respect to such violations as have been fully cured, (b) to the Vendor's actual knowledge, it has not received written notice from any governmental agencies of any condemnation proceedings as to any Property, (c) to the Vendor's actual knowledge, except with respect to slip and fall cases such Vendor has not received service of process with respect to any litigation that has been filed and is continuing against such Vendor that arises out of the ownership of the relevant property and would materially affect its Property or such Vendor[1], and (d) as to the Property in Pennsylvania, (i) that the applicable Vendor has filed (or will file) all applicable state tax returns and paid all applicable state taxes, and (ii) that a community sewage system exists and is available to such Property. Those obligations of the Vendors that expressly survive the closing (including the representations and warranties) will survive for 6 months following the closing (subject to certain additional time on survivability regarding the pro-rations referenced above and regarding the representations referenced in clause (d) above); provided, a Purchaser's right to make a claim as a result of a breach of a representation or an obligation by a Vendor will be subject to certain limitations, including a cap on damages.[2]

Release.

The Portfolio Purchase and Sale Agreement provides for the Purchasers to waive and relinquish (other than those obligations that, by the express terms of the Portfolio Purchase and Sale Agreement, survive closing) any and all rights and remedies they may then or thereafter have against each Vendor, its successors and assigns, partners, shareholders, officers and/or directors, whether known or unknown, which may arise from or be related to (a) the physical condition, quality, quantity and state of repair of any Property and the prior management and operation of such Property, (b) the property information made available by Vendors to Purchasers, (c) each Property's compliance or lack of compliance with any federal, state or local laws or regulations, and (d) any past, present or future presence or existence of hazardous materials on, under or about any Property or with respect to any past, present or future violation of any rules, regulations or laws, now or hereafter enacted, regulating or governing the use, handling, storage or disposal of hazardous materials.

Conditions Precedent to Purchaser's Obligations under Portfolio Purchase and Sale Agreement.

Each Purchaser's obligation to acquire the applicable Property under the Portfolio Purchase and Sale Agreement is subject to the satisfaction of certain conditions, including the following: (a) performance by each Vendor of its obligations under the Portfolio Purchase and Sale Agreement, (b) the continued accuracy of the Vendors' representations and warranties in all material respects, subject to certain qualifications arising from changes in circumstances that give raise to a change in a representation and warranty, (c) the irrevocable commitment by the specified title company to issue a title insurance policy for each Property insuring that fee simple legal title[3] to the Property is vested in the Purchaser subject only to agreed-to exceptions, (d) that no event or fact exists that could materially affect the offering of Units or the listing of the Units on the SGX-ST and the completion of the Offering, (e) that there are sufficient funds available to Purchasers from the Offering, together with funds received by Purchasers pursuant to financing obtained by subsidiaries of Prime US REIT, to pay the Purchase Price of the Properties and all closing costs that are the responsibility of the Purchasers.

---

1 The slip and fall claims made at the Properties are all covered by the commercial general liability insurance in place at each Property (with no deductible requirement) and there is no exposure to liability as a result.

2 The cap will be 1.0% of the purchase price of such Vendor's Property.

3 The highest form of ownership interest in real property in the US is the freehold estate known as fee simple. (See "Overview of Relevant Laws and Regulations in the United States – Relevant Laws and Regulations in the United States – Ownership Interest in US Real Property" for further details.)

Title Insurance and Title Exceptions.

In accordance with the terms and conditions of the Portfolio Purchase and Sale Agreement the agreed upon title exceptions that will be permitted to be reflected in each title insurance policy will include the following: (a) any lien to secure payment of real estate taxes, including special assessments, not delinquent, (b) all matters which could be revealed or disclosed by a physical inspection or a survey of the applicable Property and matters affecting the applicable Property which are created by or with the written consent of the Purchaser or which do not adversely affect the Purchaser's contemplated use of the applicable Property, (c) the rights of the tenants under the leases affecting the applicable Property, (d) all exceptions disclosed in writing by the title report relating to the applicable Property, (e) any exception for liens (or potential liens) for services, labor or materials heretofore or hereafter furnished to the applicable Property for which the Purchaser is entitled to a credit at closing pursuant to the Portfolio Purchase and Sale Agreement, for which the Purchaser is expressly responsible for payment under the terms of the Portfolio Purchase and Sale Agreement, and/or which arises from any services, labor or materials contracted for by any tenant at such Property and with respect to which any such tenant is responsible for payment under the terms of its lease, and (f) all applicable laws, ordinances, rules and governmental regulations (including, without limitation, those relating to building, zoning and land use) affecting the development, use, occupancy or enjoyment of the applicable Property.

Conditions Precedent to Each Vendor's Obligations under Portfolio Purchase and Sale Agreement.

Each Vendor's obligation to sell the applicable Property under the Portfolio Purchase and Sale Agreement is also subject to certain conditions, including performance of the Purchasers' obligations under the Portfolio Purchase and Sale Agreement, the continued accuracy of Purchasers' representations in all material respects, the approval of the transaction contemplated under the Portfolio Purchase and Sale Agreement by KBS REIT III, Inc's board (such approval having been obtained on 17 May 2019), that no event or fact exists that could materially affect the offering of Units or the listing of the Units on the SGX-ST and the completion of the Offering, that there are sufficient funds available to Purchasers from the Offering, together with funds received by Purchasers pursuant to financing obtained by subsidiaries of Prime US REIT, to pay the Purchase Price of the Properties and all closing costs that are the responsibility of the Purchasers.

If a condition to a party's obligation to close under the Portfolio Purchase and Sale Agreement is not met (and not waived by such party), then such party will have the right to terminate the Portfolio Purchase and Sale Agreement without limiting the rights of a party for a default by the other party as set forth below.

Remedies Upon a Vendor Default or a Purchaser Default.

The Portfolio Purchase and Sale Agreement provides that if the Purchasers fail to purchase the Properties due to a Purchaser default, the Vendors may terminate the Portfolio Purchase and Sale Agreement and the Purchasers must reimburse the Vendors for the Vendors' actual out-of-pocket costs and expenses incurred to obtain any third-party study, report or survey that is specifically identified in the Portfolio Purchase and Sale Agreement, including any updates or modifications of any of the Vendors' existing reports that Purchasers request be updated, but excluding any existing reports or studies that were already in the Vendors' possession and were not procured, updated, recertified or otherwise modified for or at the request of the Purchasers. The Portfolio Purchase and Sale Agreement further provides that if the Vendors default in their obligations to sell and convey the Properties to the Purchasers, the Purchasers have the right, as their sole and exclusive remedy, to either terminate the Portfolio Purchase and Sale Agreement or seek specific performance of the Portfolio Purchase and Sale Agreement. However, if the Vendors fail to satisfy a condition which does not amount to a default under the Portfolio Purchase and Sale Agreement, the Purchasers' sole remedy is to terminate the Portfolio Purchase and Sale Agreement.

In the event the Portfolio Purchase and Sale Agreement is being terminated, the listing and IPO of Prime US REIT shall not proceed.

Termination Rights as to All Properties.

The Portfolio Purchase and Sale Agreement provides that, except as otherwise provided in the event of damage or destruction or condemnation/eminent domain as to a Property, the Vendors shall only be obligated to sell, and the Purchasers shall only be obligated to purchase, all of the Properties (and cannot be forced to sell or purchase, as applicable, less than all of the Properties), notwithstanding the failure of a condition as to any Property or a default by any Vendor or any Purchaser as to any Property.

PROPERTY MANAGEMENT AGREEMENTS

On 27 June 2019, the Property Managers have separately enter into the following Property Management Agreements in relation to each Property with the relevant Property Holding LLCs:

(a) in relation to Tower I at Emeryville, a property management agreement will be entered into between Cushman & Wakefield U.S., Inc. and Prime US-Tower at Emeryville, LLC;

(b) in relation to 222 Main, a property management agreement will be entered into between HP Utah Management LLC and Prime US-222 Main, LLC;

(c) in relation to Village Center Station I, a property management agreement will be entered into between Jones Lang LaSalle Americas, Inc. and Prime US-Village Center Station, LLC;

(d) in relation to Village Center Station II, a property management agreement will be entered into between Shea Properties Management Company, Inc. and Prime US-Village Center Station II, LLC;

(e) in relation to 101 South Hanley, a property management agreement will be entered into between CBRE, Inc. and Prime US-101 South Hanley, LLC;

(f) in relation to Tower 909 a property management agreement will be entered into between Transwestern Commercial Services Central Region, L.P., dba Transwestern and Prime US-Tower at Lake Carolyn, LLC;

(g) in relation to Promenade I, a property management agreement will be entered into between CBRE, Inc. and Prime US-Promenade, LLC;

(h) in relation to Promenade II, a property management agreement will be entered into between CBRE, Inc. and Prime US-Promenade, LLC;

(i) in relation to CrossPoint, a property management agreement will be entered into between CBRE, Inc. and Prime US-CrossPoint at Valley Forge, LLC;

(j) in relation to One Washingtonian Center, a property management agreement will be entered into between Transwestern Carey Winston, L.L.C., dba Transwestern and Prime US-One Washingtonian, LLC;

(k) in relation to Reston Square, a property management agreement will be entered into between Transwestern Carey Winston, L.L.C., dba Transwestern and Prime US-Reston Square, LLC; and

(l) in relation to 171 17th Street, a property management agreement will be entered into between Cushman & Wakefield U.S., Inc. and Prime US-171 17th Street, LLC.

Under each Property Management Agreement, subject to the policies and programmes established by the Property Holding LLCs, the Property Manager shall conduct the day-to-day management, operation, maintenance and servicing of the relevant Property, including administration and enforcement of leases, collection of rents, preparation and submission of proposed annual operating and capital expense budgets for review and approval, and maintenance and repair of the relevant Property, negotiation of contracts, obtaining required insurance, maintenance of records and accounts, obtaining required licenses for the Properties and compliance by the relevant Property with applicable laws. The Property Manager will act within the approved annual budget, subject to certain permitted variances and any established guidelines.

The term of each Property Management Agreement is 1 year from the date of agreement, but the Property Management Agreements are thereafter deemed to be automatically renewed for successive periods of 1 year. Except for the Property Management Agreement for Village Center Station II, the Property Management Agreements are subject at all times to the termination rights of the Property Managers and the Property Holding LLCs granted therein, including without limitation (i) the right of the Property Holding LLCs to terminate in the event of a sale of the applicable Property upon no less than 5 days' written notice to the Property Managers, (ii) the right of the Property Holding LLCs to terminate without cause upon 30 days' written notice to the Property Managers, and (iii) the right of Property Managers to terminate without cause upon 60 days' written notice to the Property Holding LLCs. For the Property Management Agreement for Village Center Station II, Prime US-Village Center Station II, LLC has the right to terminate the Property Management Agreement (i) ninety (90) days after the occurrence of a casualty affecting the Property as to which Prime US-Village Center Station II, LLC, acting reasonably, determines that the damage or destruction materially and adversely affects the operation of the Property; (ii) ninety (90) days after the occurrence of a taking of the Property or material portion thereof in any eminent domain, condemnation, compulsory acquisition, or similar proceeding and Prime US-Village Center Station II, LLC (acting reasonably) determines that such taking materially and adversely affects the operation of the Property, and (iii) at any time after 1 July 2019 in Prime US-Village Center Station II, LLC's sole discretion upon thirty (30) days' prior written notice to Manager. Property Manager shall have the right to terminate the Property Management Agreement for Village Center Station II as follows: (i) upon 10 days' notice for a monetary default by Prime US-Village Center Station II, LLC, (ii) upon 30 days' notice for any other default, provided that if the default may not be cured within 30 days, then Prime US-Village Center Station II, LLC shall have up to 90 days to cure such default as long as it promptly commences the cure and diligently proceeds to cure such default.

With respect to Tower I at Emeryville, 101 South Hanley, Promenade I, Promenade II, CrossPoint, One Washingtonian Center and Reston Square, the Property Managers and their officers, directors and employees are entitled to indemnification from the applicable Property Holding LLCs for claims, losses and liabilities which arise out of the performance by the Property Managers of their obligations and duties under the Property Management Agreements unless the claim, loss or liability arises from (i) any breach of the Property Management Agreement by the Property Managers or (ii) the negligence, recklessness, wilful misconduct, fraud or criminal acts of the Property Managers or their employees, officers, agents, or representatives. The Property Managers are required to indemnify the applicable Property Holding LLCs and their officers, directors, and employees from claims, losses, and liabilities which arise out of (i) any breach of the Property Management Agreement by the

Property Managers or (ii) the negligence, recklessness, wilful misconduct, fraud or criminal acts of the Property Managers or their employees, officers, agents or representatives.

With respect to 222 Main, Village Center Station I and Tower 909, the Property Managers and their officers, directors and employees are entitled to indemnification from the applicable Property Holding LLCs for claims, losses and liabilities which arise out of the performance by the Property Managers of their obligations and duties under the Property Management Agreements unless the claim, loss or liability arises from the negligence, recklessness, wilful misconduct, fraud or criminal acts of the Property Managers or their employees, officers, agents, or representatives. The Property Managers are required to indemnify the applicable Property Holding LLCs and their officers, directors, and employees from claims, losses, and liabilities which arise out of the negligence, recklessness, wilful misconduct, fraud or criminal acts of the Property Managers or their employees, officers, agents or representatives.

With respect to 171 17th Street, the Property Manager and its officers, directors and employees are entitled to indemnification from Prime US-171 17th Street, LLC for claims, losses and liabilities which arise out of the performance by the Property Manager of its obligations and duties under the Property Management Agreement unless the claim, loss or liability arises from the gross negligence, recklessness, wilful misconduct, fraud or criminal acts of Property Manager or its employees, officers, agents, or representatives. The Property Manager is required to indemnify Prime US-171 17th Street, LLC and its officers, directors, partners, members and employees from claims, losses, and liabilities which arise out of the gross negligence, recklessness, wilful misconduct, fraud or criminal acts of Property Manager or its employees, officers, agents or representatives.

With respect to Village Center Station II, the Property Manager and its officers, directors and employees are entitled to indemnification from Prime US-Village Center Station II, LLC for third party actions, administrative proceedings, causes of action, charges, claims, commissions and costs which arise out of or relate to Village Center Station II, the overall project, or the Property Management Agreement but such indemnity does exclude any claim, loss or liability arising from the gross negligence, recklessness, wilful misconduct, fraud or criminal acts of Property Manager or its employees, officers, agents or representatives. The Property Manager is required to indemnify Prime US-Village Center Station II, LLC from third party actions, administrative proceedings, causes of action, charges, claims, commissions and costs which arise out of or relate to any gross negligence, fraud, bad faith or intentional misconduct by the Property Manager.

The Property Managers are entitled to a monthly Property Management Fee equal to a certain percentage of gross revenue income, as more specifically defined in each Property Management Agreement. Property Management Fees are assessed on a monthly basis and payable in arrears. The range in Property Management Fees for the Properties is between 0.85% to 3% of the gross revenue income, except that for Village Center Station II, the Property Management Fee is $2,750.00 per month. For purposes of the Property Management Fee, rent and gross revenue include minimum rent, percentage rent, rent escalations, common area maintenance reimbursements and real estate taxes and insurance premium reimbursements, but exclude insurance proceeds, capital improvements, remodelling and tenant change costs, security deposit except to the extent applied to past due rent, prepaid rents except for the portion applied to the then current month, sums collected or paid for sales, excise or use taxes, and any amount paid for or in connection with the termination of leases or other agreements with tenants, except for terminations which the Property Holding LLCs have requested the Property Manager to negotiate. Parking revenue is excluded from the “Rent” for purposes of determining the Property Management Fee for all the Properties except for 222 Main and Tower 909. For 222 Main and Tower 909, parking revenue is included in the “Rent” for purposes of determining the Property Management Fee.

Pursuant to the Property Management Agreements, the Property Managers for all of the Properties except for CrossPoint are also entitled to Construction Supervision Fees in connection with providing certain construction management services for construction projects with respect to the Property managed by the Property Manager. Construction Supervision Fees are payable in respect of construction projects which fall outside the definition of Development Project (e.g. asset enhancement initiatives). Pursuant to separate construction management agreements with the applicable Property Holding LLCs, the Property Managers for One Washingtonian Center and Reston Square are also entitled to Construction Supervision Fees in connection with providing construction management services for certain construction projects with respect to the Property managed by the Property Manager per a separate project management agreement. There is not a construction management agreement for CrossPoint. Apart from One Washingtonian and Reston Square for which the Construction Supervision Fees will be agreed on a project by project basis, the Construction Supervision Fees are assessed as a percentage of the total cost of the construction project as more specifically provided in each Property Management Agreement, construction management addendum to the Property Management Agreement or separate project management agreement for the Property, on a tiered scale with the applicable percentage decreasing as the total cost of a construction project increases.

Pursuant to separate lease agreements with the Property Holding LLCs, the Property Managers are permitted to occupy suitable office space at each Property for the purpose of facilitating the Property Manager's employees in the discharge of the Property Manager's duties, with any rent, service charge, utility charges or other sums payable by the Property Manager passed through to the other tenants at the relevant Property as an operating expense. The compensation of and out-of-pocket costs and expenses incurred by the Property Managers for their employees, to the extent such costs and expenses appear on the budget attached as an exhibit to a Property Management Agreement or are otherwise approved by the Property Holding LLCs, are reimbursable to the Property Managers by the Property Holding LLCs.

LEASING SERVICES AGREEMENT

On 27 June 2019, each Property Holding LLC and the Leasing Agent of each property has entered into Leasing Services Agreements in relation to such property:

(a) in relation to Tower I at Emeryville, a leasing services agreement will be entered into between Cushman & Wakefield of California, Inc. and Prime US-Tower at Emeryville, LLC;

(b) in relation to 222 Main, a leasing services agreement will be entered into between CBRE, Inc. and Prime US-222 Main, LLC;

(c) in relation to Village Center Station I, a leasing services agreement for retail transactions will be entered into between David, Hicks & Lampert Brokerage, LLC and Prime US-Village Center Station, LLC;

(d) in relation to Village Center Station I, a leasing services agreement for office transactions will be entered into between Cushman & Wakefield of Colorado, Inc. and Prime US-Village Center Station, LLC;

(e) in relation to Village Center Station II, there is no leasing services agreement;

(f) in relation to 101 South Hanley, a leasing services agreement will be entered into between CBRE, Inc. and Prime US-101 South Hanley, LLC;

(g) in relation to Tower 909, a leasing services agreement will be entered into between TSC Central Region, GP, LLC and Prime US-Tower at Lake Carolyn, LLC;

(h) in relation to Promenade I, a leasing services agreement will be entered into between CBRE, Inc. and Prime US-Promenade, LLC;

(i) in relation to Promenade II, a leasing services agreement will be entered into between CBRE, Inc. and Prime US-Promenade, LLC;

(j) in relation to CrossPoint, a leasing services agreement will be entered into between CBRE, Inc. and Prime US-CrossPoint at Valley Forge, LLC;

(k) in relation to One Washingtonian Center, a leasing services agreement will be entered into between CBRE, Inc. and Prime US-One Washingtonian, LLC;

(l) in relation to Reston Square, a leasing services agreement will be entered into between Avison Young – Washington, D.C. LLC and Prime US-Reston Square, LLC; and

(m) in relation to 171 17th Street, a leasing services agreement will be entered into between Cushman & Wakefield U.S., Inc. and Prime US-171 17th Street, LLC.

Pursuant to the terms of the Leasing Services Agreements, the Leasing Agents are responsible for procuring tenants and negotiating leases with them for space in the Properties. The Leasing Agents will act within procedures set out in the Leasing Services Agreement and owners' leasing guidelines. All leases negotiated by the Leasing Agents are subject to the approval of the relevant Property Holding LLCs, as the owner of the Property, in its sole discretion.

The term of each Leasing Services Agreement is 1 year from the date of the agreement. The Leasing Services Agreements are subject at all times to the termination rights of the Leasing Agents and the Property Holding LLCs granted therein. For 101 South Hanley, the Leasing Services Agreements provide (i) the right of the Property Holding LLCs to terminate (a) without cause at any time upon 30 days prior written notice to the Leasing Agents, and (b) with cause at any time upon 10 days written notice to the Leasing Agents, (ii) the right of the Leasing Agents to terminate upon 60 days prior written notice to the Property Holding LLCs, and (iii) in the event of a sale, transfer or exchange of the Property, upon 10 days prior written notice by one party to the other. For Tower I at Emeryville, Promenade I, Promenade II, One Washingtonian Center and Reston Square, the Leasing Services Agreements provide (i) the right of the Property Holding LLCs to terminate (a) without cause at any time upon 10 days prior written notice to the Leasing Agents, and (b) with cause at any time upon 5 days written notice to the Leasing Agents, (ii) the right of the Leasing Agents to terminate upon 60 days prior written notice to the Property Holding LLCs, and (iii) in the event of a sale, transfer or exchange of the Property, upon 10 days prior written notice by one party to the other. For 222 Main and Village Center Station I (both Leasing Services Agreements), the Leasing Services Agreements provide (i) the right of the Property Holding LLCs to terminate (a) without cause at any time upon 30 days prior written notice to the Leasing Agents, and (b) with cause at any time upon 2 business days written notice to the Leasing Agents, (ii) the right of the Leasing Agents to terminate upon 90 days prior written notice to the Property Holding LLCs, and (iii) in the event of a sale, transfer or exchange of the Property, upon 10 days prior written notice by one party to the other. For 171 17th Street, the Leasing Services Agreement provides (i) the right of the Property Holding LLC to terminate (a) without cause at any time upon 30 days prior written notice to the Leasing Agent, and (b) with cause at any time upon 10 days written notice to the Leasing Agent, (ii) the right of the Leasing Agent to terminate (a) without cause upon 30 days prior written notice to the Property Holding LLC, and (b) with cause at any time upon 10 days written notice to the Property Holding LLC, and (iii) in the event of a sale, transfer or exchange of the Property, upon 10 days prior written notice by one party to the other. For CrossPoint, the Leasing Services Agreement provides (i) the right of the Property Holding LLC to terminate (a) without cause at any time upon 30 days prior written notice to the Leasing Agent, and (b) with cause at any time upon 10 days written notice to the Leasing Agent, (ii) the right of the Leasing Agent to terminate upon 30 days prior written notice to the Property Holding LLC, and (iii) in the event of a sale, transfer or exchange of the Property, upon 10 days prior written notice by one party to the other.

The Leasing Services Agreements for Promenade I, Promenade II, One Washingtonian Center, 101 South Hanley and 171 17th Street, provide that the Property Holding LLCs and its representatives, officers, directors and employees are entitled to indemnification from the applicable Leasing Agent from any liability, damages or expenses, including attorneys' fees, arising out of any misrepresentation, fraud or negligence of the Leasing Agent, or failure by the Leasing Agent to observe any guidelines provided by the relevant Property Holding LLC or failure by the Leasing Agent to abide by the provisions of the Leasing Services Agreement, or any claim for commission by a cooperating leasing agent. The indemnity applies only to the extent a loss or other event is not covered by insurance required to be maintained by the Property Holding LLC under the terms of the relevant Leasing Services Agreement.

The Leasing Services Agreements for Tower I at Emeryville provide that the Property Holding LLCs and its representatives, officers, directors and employees are entitled to indemnification from the applicable Leasing Agent from any liability, damages or expenses, including attorneys' fees, arising out of any negligent misrepresentation, fraud or negligence of the Leasing Agent, or material failure by the Leasing Agent to observe any guidelines provided by the relevant Property Holding LLC or failure by the Leasing Agent to abide by the provisions of the Leasing Services Agreement, or any claim for commission by a cooperating leasing agent. The Leasing Agent's indemnity obligations do not apply to liability, damages or expenses, including attorneys' fees, arising from the Property Holding LLC's negligence, gross negligence, wilful misconduct or from any inaccurate information provided by the Property Holding LLC to the Leasing Agent. The indemnity applies only to the extent a loss or other event is not covered by insurance required to be maintained by the Property Holding LLC under the terms of the relevant Leasing Services Agreement.

The Leasing Services Agreements for 222 Main and Village Center Station I (both Leasing Services Agreements) provide that the Property Holding LLCs and its representatives, officers, directors and employees are entitled to indemnification from the applicable Leasing Agent from any liability, damages or expenses, including attorneys' fees, arising out of any misrepresentation, fraud, negligence, gross negligence or wilful misconduct of the Leasing Agent, or failure by the Leasing Agent to observe any guidelines provided by the relevant Property Holding LLC or failure by the Leasing Agent to abide by the provisions of the Leasing Services Agreement, or any claim for commission by a cooperating leasing agent. The Leasing Agent's indemnity obligations do not apply to liability, damages or expenses, including attorneys' fees, arising from the Property Holding LLC's negligence or wilful misconduct. The indemnity applies only to the extent a loss or other event is not covered by insurance required to be maintained by the Property Holding LLC under the terms of the relevant Leasing Services Agreement.

The Leasing Services Agreements for Tower 909 provide that the Property Holding LLC and its representatives, officers, directors and employees are entitled to indemnification from the applicable Leasing Agent from any liability, damages or expenses, including attorneys' fees, arising out of any misrepresentation, fraud or negligence of the Leasing Agent, or failure by the Leasing Agent to observe any guidelines provided by the relevant Property Holding LLC or failure by the Leasing Agent to abide by the provisions of the Leasing Services Agreement, or any claim for commission by a cooperating leasing agent. The Leasing Agent's indemnity obligations do not apply to liability, damages or expenses, including attorneys' fees, to the extent caused by Property Holding LLC. The indemnity applies only to the extent a loss or other event is not covered by insurance required to be maintained by the Property Holding LLC under the terms of the relevant Leasing Services Agreement.

The Leasing Services Agreement for CrossPoint provides that the Property Holding LLC and its representatives, officers, directors and employees are entitled to indemnification from the applicable Leasing Agent from any liability, damages or expenses, including attorneys' fees, arising out of any misrepresentation, fraud or negligence of the Leasing Agent, or failure by the Leasing Agent to abide by the provisions of the Leasing Services Agreement, or any claim for commission by a cooperating leasing agent (to the extent such claim is attributable to an act, failure to act or representation of Leasing Agent or its officers, directors or employees). The indemnity from the Leasing Agent applies only to the extent a loss or other event is not covered by insurance required to be maintained by the Property Holding LLC under the terms of the relevant Leasing Services Agreement.

The Leasing Services Agreement for Reston Square provides that the Property Holding LLC and its representatives, officers, directors and employees are entitled to indemnification from the applicable Leasing Agent from any liability, damages or expenses, including attorneys' fees, arising out of (i) any misrepresentation, fraud, wilful misconduct or negligence of the Leasing Agent, and (ii) to the extent of the commission giving rise to the indemnity, the failure by the Leasing Agent to observe any guidelines provided by the relevant Property Holding LLC or failure by Leasing Agent to abide by the provisions of the Leasing Services Agreement, or any claim for commission by a cooperating leasing agent who claims to have dealt with Leasing Agent. The indemnity applies only to the extent a loss or other event is not covered by insurance required to be maintained by the Property Holding LLC under the terms of the relevant Leasing Services Agreement.

The Leasing Agents are entitled to certain leasing services commissions for procuring leases with new tenants, equal to a certain percentage of the base rent for the initial lease term as set forth in each Leasing Service Agreement.

The Leasing Agent is also entitled to certain leasing services commissions for procuring lease renewals as set forth in each Leasing Service Agreement.

(See "Certain Fees and Charges – Payable to the Leasing Agents – Leasing Services Commissions".)

The Leasing Agents are entitled to certain leasing services commissions for procuring lease expansions, equal to a certain percentage of the base rent for the initial lease term as set forth in each Leasing Service Agreement.

Except for CrossPoint, no leasing services commission is payable to the Leasing Agent for a lease term in excess of 10 years. The terms and provisions relating to the timing of payment of lease commission is set forth in each Leasing Service Agreement and is payable in cash.

KBS MANAGEMENT AGREEMENT

The Manager, the Manager US Sub, the U.S. Asset Manager, the Parent U.S. REIT and the Property Holding LLCs entered the KBS Management Agreement on 27 June 2019. Pursuant to the KBS Management Agreement, certain asset management functions of the Manager and the Manager US Sub, including those relating to asset management, investments, property-level finance/financing and compliance, will be outsourced to KBS RA (as the U.S. Asset Manager) to provide such services to the Parent U.S. REIT and the Property Holding LLCs, in each case subject to the duties and responsibilities of the Parent U.S. REIT's board of directors and the managers of the Property Holding LLCs, as applicable.

The U.S. Asset Manager will provide, among others, the following services:

- **Investment**: Supporting the execution, through the Parent U.S. REIT and the Property Holding LLCs, of Prime US REIT's investment strategy in accordance with the strategy formulated by the Manager and the guidelines issued by the Manager which include requirements relating to the location, sub-sector type and other characteristics of Prime US REIT's property portfolio;

- **Asset management**: Working with the Property Managers to execute, through the Parent U.S. REIT and the Property Holding LLCs, Prime US REIT's asset management strategy in accordance with the decisions made by and the strategy formulated by the Manager and the guidelines issued by the Manager which include requirements relating to the tenant mix, asset enhancement works and rationalising operation costs. Deal with the Leasing Agents to execute, through the Parent U.S. REIT and the Property Holding LLCs, Prime US REIT's leasing strategy.;

- **Capital management**: Supporting the execution of debt financing plans for any debt taken up by the Parent U.S. REIT and/or the Property Holding LLCs;

- **Internal Audit**: Assisting with internal and external audit processes for the Parent U.S. REIT and/or the Property Holding LLCs including internal controls over financial reporting and operational audits in accordance with the Manager's audit plan including property-level audits, capital expenditure audits and other operational audits. Work with business teams to identify improvement opportunities in internal controls, processes, policies and procedures. Assist to enhance or implement financial accounting system and internal controls.

- **Human Resource**: Perform and support the formulation of policies, framework and programmes, implementation and/or administration of human resource matters relating to the, among others, training and development, succession planning and payroll services.

- **Information Technology**: Providing support for email communication and Office 365 platform, software systems and website.

- **Accounting**: Preparing accounts, financial reports and annual reports, as may be required, for the Parent U.S. REIT and/or the Property Holding LLCs; and

- **Compliance**: Making all regulatory filings on behalf of the Parent U.S. REIT and the Property Holding LLCs assisting the Parent U.S. REIT and the Property Holding LLCs, using its commercially reasonable best efforts, in complying with applicable provisions of the relevant legislation and tax laws and regulations in the U.S., including meeting the requirements for qualification and taxation of the Parent U.S. REIT as an U.S. REIT, and all relevant contracts.

The U.S. Asset Manager will act subject to the overall discretion and direction of the Manager and within guidelines issued by the Manager and in accordance with the approved annual business plan and budget. The U.S. Asset Manager will seek to find investment opportunities consistent with the investment guidelines established by the Manager. The U.S. Asset Manager allocates investment opportunities among its clients in accordance with the Allocation Process (as defined herein). (See Strategy – Addressing Conflicts of Interest – Allocation of Acquisition Opportunities among the Non-Traded Core Strategy REITs and Prime US REIT" for further details.) Once an acquisition is approved, the U.S. Asset Manager will perform diligence, and subject to the consent by the Manager, will be authorised to negotiate the terms of and all necessary agreements to effect the acquisition.

The U.S. Asset Manager may delegate its duties under the KBS Management Agreement to an affiliate with the consent of the Manager or to the extent provided in the KBS Management Agreement; provided such delegation does not relieve the U.S. Asset Manager of its obligations under the KBS Management Agreement.

The KBS Management Agreement is terminable by the Manager and the U.S. Asset Manager, respectively, upon notice and subject to certain cure rights, in the event of a bankruptcy or insolvency, material breaches of the KBS Management Agreement, if the Manager is no longer an affiliate of the U.S. Asset Manager, or in the case of a termination by the Manager, any employee of the U.S. Asset Manager commits an act of fraud, gross negligence, wilful misconduct or misappropriation in connection with the KBS Management Agreement. Also, each of the Manager and the U.S. Asset Manager have the right, upon 90 days prior notice, to terminate the KBS Management Agreement for any reason or for no reason whatsoever.

Asset Manager Indemnified Parties are entitled to indemnification from the Manager from all Losses incurred by them in connection with their activities under the KBS Management Agreement, except to the extent as a result of such Asset Manager Indemnified Party's U.S. Asset Manager's Misconduct. The U.S. Asset Manager is required to indemnify the Manager and its directors, officers, and employees for any Losses incurred by them arising from any U.S. Asset Manager's Misconduct other than for indirect, consequential, punitive or special damages.

Fees payable to the U.S. Asset Manager will be paid by the Manager.

MANAGER US SERVICES AGREEMENT

The Manager, the Manager US Sub, the Parent U.S. REIT and the Property Holding LLCs have entered into the Manager US Services Agreement on 27 June 2019. Services in the US will be provided pursuant to the Manager US Services Agreement. The Manager US Services Agreement is a subcontract from the Manager to the Manager US Sub with respect to the Manager US Services.

The Manager US Sub will appoint one or more executives, who will be employed solely by the Manager US Sub while they are in the United States under a secondment, and/or employment or similar arrangement, to provide the Manager US Services to the Parent U.S. REIT and/or the Property Holding LLCs as set forth in the Manager US Services Agreement.

Similar to the KBS Management Agreement, Prime US REIT, the Parent U.S. REIT and the Property Holding LLCs will have no obligations or liabilities under the Manager US Services Agreement.

The Manager US Services Agreement will generally be on the same terms (other than terms relating to how the service fee is determined) as the KBS Management Agreement to Parent U.S. REIT and the Property Holding LLCs (subject to the duties and responsibilities of the Parent U.S. REIT's board of directors and the managers of the Property Holding LLCs, as applicable), except that the services are provided by the Manager US Sub instead of the U.S. Asset Manager.

The Manager US Services Agreement is terminable by any of the parties to the Manager US Services Agreement, in the event of, among others, a bankruptcy or insolvency or a change of control in any of the other parties to the Manager US Services Agreement.

In addition, the Manager has the right to terminate the Manager US Services Agreement by giving not less than one month's prior written notice to the Manager US Sub in the event of (i) a material breach of the Manager US Services Agreement that was not remedied within thirty days of the receipt by the Manager US Sub of a notice from the Manager identifying the breach and requiring its remedy; (ii) where there is a demonstrable deterioration in the ability of the Manager US Sub to perform the services under the Manager US Services Agreement. Also, each of the Manager and the Manager US Sub have the right, upon 90 days prior notice, to terminate the KBS Management Agreement for any reason or for no reason whatsoever.

Fees payable to the Manager US Sub will be paid by the Manager.

THE KEPPEL MANAGEMENT SUPPORT

The Manager and KCI entered the Keppel Management Agreement on 27 June 2019. Pursuant to the Keppel Management Agreement, the Manager has engaged KCI to provide, among others, the following services:

- **Human Resource**: Providing human resource advisory services to the Manager including recruitment and performance management.

- **Information Technology**: Providing information technology support services to the Manager including procurement of information technology equipment and regular training on information technology security awareness.

- **Compliance Support in Singapore**: Making all regulatory filings to MAS on behalf of Prime US REIT, and assisting Prime US REIT in complying with the Listing Manual, the SFA, the CIS Code (including the Property Funds Appendix), the Trust deed and associated regulations and guidelines.

KCI will act subject to the overall discretion and direction of the Manager and within guidelines issued by the Manager.

KCI may delegate its duties under the Keppel Management Agreement to an affiliate with the consent of the Manager or to the extent provided in the Keppel Management Agreement; provided such delegation does not relieve KCI of its obligations under the Keppel Management Agreement.

The Keppel Management Agreement is terminable by the Manager and KCI, respectively, upon written notice, in the event of, among others, a bankruptcy or insolvency, material breaches of the Keppel Management Agreement, a change of control in the Manager or in the case of a termination by the Manager, where there is a demonstrable deterioration in the ability of KCI to perform the services under the Keppel Management Agreement.

The KCI Indemnified Parties are entitled to indemnification from the Manager from all liabilities, claims, damages or losses incurred by them in connection with their activities under the Keppel Management Agreement, except to the extent as a result of KCI's Misconduct. KCI is required to indemnify the Manager and its directors, officers, and employees for any loss or liability suffered or incurred by the Manager or any of its officers or agents, and any costs, charges and expenses incurred by the Manager or any of its officers or agents, to the extent that such loss, liability, cost, charge or expense is caused by or arising from the KCI's Misconduct in the performance of its obligations under the Keppel Management Agreement.

Fees payable to KCI will be paid by the Manager.

OVERVIEW OF RELEVANT LAWS AND REGULATIONS IN THE UNITED STATES

General

The laws of the United States have their source in both government legislation and regulation (at the federal, state and local government levels) and the federal and state courts. Federal law includes the Constitution of the United States, federal statutes and rules and regulations adopted by federal agencies. State law includes individual state constitutions, state statutes and rules and regulations adopted by state agencies. Local law includes ordinances and rules and regulations adopted by counties, municipalities and their agencies. Common law is developed by case law decisions in the courts.

Delaware Law Related to Business Organisations

The principal laws governing the operation and conduct of business entities organised under the laws of a state of the United States are set out in the applicable law of the state under whose statutes the entity is formed. The Parent U.S. REIT and its subsidiaries have been organised under the law of the state of Delaware.

Corporations

The Parent U.S. REIT is a Delaware corporation. A Delaware corporation is governed by the provisions and subject to the restrictions and liabilities contained in the Delaware General Corporation Law. The owners of a corporation are shareholders, and the shareholders of a corporation are not personally liable for the payment of the corporation's debts except as they may be liable by reason of their own conduct or acts. The board of directors is elected by, and has fiduciary obligations to, the shareholders.

The Delaware General Corporation Law governs corporations in the state of Delaware. A corporation is formed upon the filing with the Secretary of State of a certificate of incorporation, which is the corporate charter. This is followed by the adoption of written bylaws and the election of a board of directors.

A corporation's shareholders elect a board of directors in whom the general supervision of the corporation's business and affairs is vested. Directors have no authority to act for or bind the corporation. The board as a whole, and not the several directors, is vested with the supervision of the corporation's affairs. The board of directors in turn appoints and supervises officers who carry out the day-to-day management and operations of the corporation.

A Delaware corporation that engages in business (which may include the ownership and management of real estate) in another state may be required to qualify as a foreign corporation in such state. Qualification is effected by filing with the secretary of state of such state and includes the appointment of a resident agent who may accept service of process on the corporation.

Limited Liability Companies

Each of the Extended U.S. LLCs is formed as a Delaware limited liability company, or LLC. The limited liability company agreement is the principal governing document.

While the Delaware Limited Liability Company Act, or the LLC Act, sets forth certain requirements and procedures for LLCs, Delaware has taken a flexible approach in enacting the LLC Act, giving maximum effect to the doctrine of freedom of contract. As such, members of a Delaware LLC may augment certain provisions of Delaware law, including the LLC Act, with other provisions that govern the LLC.

Unless the operating agreement provides that management of the LLC is vested in a manager or board of managers, every member is an agent of the LLC for the purpose of its business and affairs, in the same manner that a general partner is an agent of a partnership. If the operating agreement does provide that management of the LLC is vested in a manager or board of managers, no member will be an agent of the LLC. The interests in each of the Property Holding LLCs are currently held by a single member and the management of each Property Holding LLC is vested in a manager. The interests in each of Upper-Tier U.S. LLC, Mid-Tier U.S. LLC, Lower-Tier U.S. LLC, Prime US Properties, LLC and Prime US Acquisition I, LLC are currently held by a single member that manages the LLC.

Regulation of Foreign Investment

While the United States has a general policy of openness to foreign investment, the Committee on Foreign Investments in the United States ("**CFIUS**") reviews (and may suspend or prohibit) mergers, acquisitions, and takeovers by or with any foreign person which could result in foreign control of any business engaged in interstate commerce in the United States (particularly in sectors such as technology, infrastructure, transportation, real estate, communications, banking and energy) to determine the effects of such transactions on the national security of the United States. Generally, a foreign person does not "control" (as defined in the CFIUS regulations) a U.S. business if it holds ten percent or less of the voting interest in the entity, and it holds that interest solely for the purpose of passive investment. CFIUS generally administers a voluntary process, allowing parties to a transaction to decide whether to initiate a CFIUS review by filing a voluntary notice. However, in November 2018, the U.S. Department of the Treasury implemented new regulations that require parties to file a mandatory declaration to CFIUS in connection with certain non-controlling investments made by foreign persons in U.S. businesses that produce, design, test, manufacture, fabricate, or develop one or more "critical technologies" related to specific industries (including aviation, defence, semiconductors, telecommunications and biotechnology). The term "non-controlling investments" refers to investments (no matter their size) made by a foreign person in a U.S. business that afford the foreign person: (i) access to material non-public technical information of the U.S. business; (ii) membership or the right to appoint a member of the U.S. business' board of directors or equivalent governing body, or observer rights with respect to such body; or (iii) involvement, other than through voting of shares, in substantive decision-making regarding the U.S. business' use, development, acquisition, or release of "critical technologies." As Prime US REIT will not invest in U.S. businesses that produce, design, test, manufacture, fabricate or develop "critical technologies," the November 2018 regulations will not impact Unitholders. The U.S. Department of the Treasury is also in the process of drafting new regulations that will impose a written declaration requirement on transactions resulting in the acquisition of a substantial interest in certain U.S. businesses (including any U.S. business that (i) owns, operates, manufactures, supplies or services critical infrastructure; or (ii) maintains or collects sensitive personal data) by a foreign person in which a foreign government has (directly or indirectly) a substantial interest. The term "substantial interest" will be defined in the new CFIUS regulations.

Ownership Interest in U.S. Real Property

The highest form of ownership interest in real property in the U.S. is the freehold estate known as fee simple. Ownership in fee simple is for an unlimited duration and, subject to compliance with applicable laws and agreements, the owner of the fee simple interest in real property may deal with the real property as the owner wishes. Real property owned in fee simple is, however, typically subject to encumbrances (such as easements to permit utilities to be supplied to the real property or across the real property for the benefit of neighbours, as well as covenants, conditions and restrictions that may govern how the real property could be operated and/or developed).

Another form of real property ownership in the U.S. is the non-freehold possessory estate known as a leasehold estate. The owner of a leasehold estate has the right to occupy real property to the exclusion of others for a finite period. Leasehold estates are typically documented by a lease agreement.

Recording and Title Insurance

In each U.S. state, typically at the county level, there is a governmental real property registry, and agreements and matters which affect title to real property must be recorded in the proper real property registry to be binding on third parties (unless the third party has actual notice of the matter).

Fee simple title to real property is transferred by delivery of a deed (the form of which varies by state) such that recording a deed is not necessary to accomplish a transfer of title between the parties to a deed. However, a purchaser's title will not be perfected or enforceable against third parties (as opposed to the applicable seller) until the deed is recorded in the proper real property registry.

The recording in a real property registry of a deed conveying title is an administrative process. The relevant real property registry generally does not have discretion to refuse to record a deed, provided that such deed is in recordable form, has been properly signed and notarised, all taxes and other recording fees are paid and any recording formalities are complied with. The effect of the recording is to put third parties on notice of a purchaser's interest in real property after completion of the recording, as, generally, third parties are deemed to have actual or constructive notice of matters disclosed in the records of the relevant real property registry concerning the status of title to real property.

As a general matter, real property registries do not pass upon the validity of the instrument being recorded or the status of title to real property and it is customary for purchasers of real property to rely on third party title insurance companies to review the records in real property registries for matters affecting title to real property and to insure the status of such title subject to those matters noted by the title insurance company as a result of such review. Such matters are typically referred to as exceptions to the title insurance policy and include other interests to which title to a real property may be subject, such as a mortgage interest or easements granted to private parties or public entities for access, roads, or utilities over such real property. As a title insurance company will have liability under its title insurance policy for losses caused by matters affecting title to an insured property which are not identified as exceptions in its title insurance policy, title insurance companies conduct extensive diligence on title to the real properties that they insure so that they can identify and exclude all relevant exceptions from the insurance coverage provided in their title insurance policies. The amount of such insurance is usually equal to the purchase price paid. A title insurance company charges a one-time premium for the policy based on the insured amount and the policy remains in effect for as long as the insured has an interest in the property. Since a purchaser's title is not perfected or enforceable against third parties without notice (as opposed to the applicable seller) until the deed is recorded in the appropriate real property registry, sellers and purchasers often instruct title insurance companies to issue title insurance policies insuring that title to a real property is vested in the purchaser from the date on which the closing occurs and the executed deed is delivered, even though the deed has not yet been recorded, to facilitate the closing and funding of transactions.

Some states have laws providing that leases with terms that extend beyond a certain number of years must be recorded in the appropriate real property registry to be enforceable against third parties without notice. However, since leases often contain provisions that are not germane to the creation of the leasehold interest, landlords and tenants will often execute and record a short form (or notice or memorandum) of a lease instead of recording the entire lease.

Agreements Affecting Real Property

In the U.S., agreements affecting real property must virtually always be in writing and signed by the party to be bound in order to be enforceable, but notarisation is generally not needed to enforce an agreement against a signatory to that agreement. Since there are very few covenants, representations or warranties which are implied by law in commercial transactions in the U.S., it is customary to negotiate all applicable covenants, representations and warranties and to include them in their entirety in agreements documenting real estate transactions.

Leases

The most common types of commercial real estate leases in the U.S. are leases of space in a building and ground leases. In a typical space lease, a landlord leases space (such as office or retail space) in a building which it owns in fee simple (or ground leases from the fee simple owner) to a tenant. In a typical ground lease, the landlord leases improved or unimproved real property to a single tenant for a lengthy term and, if the tenant constructs improvements on the real property, it retains ownership of those improvements during the term of the ground lease. Some states consider a ground lease interest as being comparable to a fee simple if the term is sufficiently long enough (typically 50 years and up). Both ground leases and space leases often provide that the tenant's improvements will become the landlord's property at the end of the term of the lease.

Since very few provisions are implied by law in commercial real estate leases (often, the only implied provision is that the landlord warrants possession of the premises without hindrance from any party claiming under the landlord), they are typically negotiated and include detailed provisions regarding the parties' respective rights and obligations. Lease terms are subject to market standards and practices and there is no template lease.

Mortgage Loans

In the U.S., loans to fund the purchase of commercial real property or to construct improvements on, or operate at, commercial real property are typically secured by a mortgage or deed of trust (depending on the state) on such real property.

In the U.S., commercial mortgage loans are typically non-recourse to the borrower, meaning the borrower has no personal liability for repayment of the loan and the lender must look for repayment to the proceeds of the sale of the real property. However, most loan documents include certain provisions (so-called "**non-recourse carveouts**"), pursuant to which the borrower (or a more credit worthy guarantor, typically a parent of the borrower) will be personally liable for breaches of certain provisions of the loan documents involving misrepresentation, deception, fraud or other similar bad acts on the part of the borrower and representations and covenants relating to environmental matters. Recently, the non-recourse carveouts have been expanded to include breaches of additional covenants, including prohibitions against transferring the real property without lender's consent.

Upon a default under a mortgage loan, the lender will have the right to sell the real property through a foreclosure and apply the proceeds of such sale to the amount due it. Depending on the state, foreclosure may be pursuant to a court order after which the real property is sold at a public auction, or by non-judicial foreclosure, pursuant to which the lender may proceed directly to a public auction of the real property without a court proceeding unless the borrower objects. While a lender can bring an action to recover a deficiency in the amount to be repaid under any non-recourse mortgage loan following a foreclosure sale, many states limit the lender's right to recover any such deficiency.

Since a foreclosure is considered an equitable remedy, most lenders will typically only pursue foreclosure in the event of a monetary default or a default that is reasonably likely to reduce the value of the real property. As further protection for the borrower, the borrower is often entitled to the equity of redemption, pursuant to which after default but prior to foreclosure, the borrower may repay the amount due on the loan, plus all interest and other expenses due under the loan documents, and retain title to the real property.

Transfer Taxes

Some states (as well as some counties and municipalities) impose a "transfer tax" on the conveyance of real property. Typically, a transfer tax is imposed on the recording of a deed, but in some instances it is imposed on a lease, a mortgage or a change in control in a real property owner. Responsibility for the payment of a transfer tax is sometimes allocated between buyer and seller by statute but often by custom or the agreement of the parties. There is no federal transfer tax.

Land Use (Zoning) and Building Controls

In the U.S., the primary source of land use regulation occurs at the local level. Most municipalities have zoning ordinances which divide municipalities into a series of districts and specify the uses that are permitted and prohibited in each district. Zoning ordinances commonly impose various dimensional and density requirements on buildings and other real estate improvements (such as minimum setbacks and lot sizes and maximum floor area ratio and lot coverage provisions) as well as standards for the number of parking stalls and design of parking stalls. Many zoning ordinances also regulate loading spaces, landscaping, signs, "green building" requirements and the protection of environmentally sensitive areas such as wetlands, flood plains and aquifers, among other topics.

Frequently, and especially for large or complex projects, a real estate development will need to obtain a zoning permit or other approval from the municipality to allow the use or reconfiguration of the proposed project. Such permits may be subject to a variety of conditions to reduce potential impacts from the project on the community, including, *e.g.*, physical improvements to transportation infrastructure and/or monetary payments to municipal funds for financing needed in projects. The approval process often may involve public hearings and other opportunities for third parties to comment on the project and to appeal the final permit decision.

In addition to zoning ordinances, some states have regional or state-wide land use approval requirements. Other state and federal laws (and other municipal requirements) can affect land development by regulating activities which involve wetlands, public rights in waterways, historic and other culturally significant properties, parkland, endangered species and their habitats, access to highways, and other matters.

As a general matter, construction and the ongoing operation and maintenance of a building must comply with state or local building codes, which are enforced by municipal building officials. Building codes address a variety of structural and life-safety matters including egress, fire protection, construction materials, elevators, energy, and handicap access, among others. Construction may not begin without a building permit, and typically the building official must issue a certificate of occupancy before the building may be occupied. Building code violations, especially those relating to life-safety matters, can lead to civil and, in some cases, criminal sanctions.

Contaminated Land and Environmental Regulation

Most environmental regulation in the U.S. occurs at the federal and state levels, although some local governments have their own requirements. Under various federal and state laws, owners and operators (including tenants) of real estate, may be required to investigate and clean-up or remove hazardous substance contamination present at or migrating from properties they own, lease or operate, notwithstanding that the contamination was caused by a prior owner, occupant or other third-party. They also may become liable to governmental agencies and to third parties for costs and damages those parties incur in connection with the release of hazardous substances. Although the principal federal statute addressing clean-up of contaminated sites exempts from liability certain "bona-fide prospective purchasers" of contaminated real estate who conduct pre-acquisition assessments, take steps to control known contamination, and meet certain other requirements, other federal environmental statutes and many state and local laws do not contain similar exemptions. In addition, owners, tenants, and operators may be held liable for property damage or personal injuries that result from hazardous substances on their properties. Building owners may also face liability for personal injury caused by microbial matter (such as mould) or other indoor air contaminants (such as formaldehyde or other volatile organic compounds) at their properties.

Federal and state laws regulate many activities which can affect the environment, such as the discharge of pollutants to water bodies or to the air and the handling and disposal of hazardous waste. Other laws govern the construction and operation of underground tanks (and, in some states, aboveground tanks) used for the storage of petroleum or chemicals; the protection of drinking water supplies; the manufacture, handling and notification of toxic chemicals and similar matters. Many of these laws require permits or other approvals, and they typically impose significant civil and criminal penalties for violations. Environmental laws also regulate certain hazardous building materials, such as asbestos and lead paint. Generally, these laws impose obligations on the handling (for example, removal or encapsulation) and disposal of such materials during renovation and demolition projects, as well as require certain notifications.

Condemnation

In the U.S., federal, state and local governments and other public bodies, as well as certain quasi-public entities (such as railroads and public utility corporations), have the right to acquire real estate for public use upon payment of just compensation to the affected owner through the exercise of the power of eminent domain. Exercise of eminent domain usually involves a formal condemnation proceeding, usually in the form of a court proceeding. However, the actual process varies from state to state and, in some states, can be accomplished without a court proceeding.

In very limited circumstances, the federal government has broad powers which permit the seizure or freezing of foreign-owned assets during a war or in the event of a national emergency.

Restrictions on Land Ownership

The U.S. federal government and certain states regulate certain real property interests by non-resident persons or entities controlled by them. For the most part, these laws apply to mineral interests and agricultural properties and not to commercial real estate.

FATCA RULES

FATCA requires financial institutions outside the United States ("**foreign financial institutions**" or "**FFIs**"), and certain registered-deemed compliant FFIs, to provide information about U.S. account holders and investors to the IRS on an annual basis. A 30% withholding tax is imposed on certain U.S. source income of any FFI that fails to comply with this requirement. The new withholding regime is now in effect for payments from sources within the United States and will apply to "foreign pass-thru payments" (a term not yet defined) no earlier than 1 January 2019. On 13 December 2018, the Department of the Treasury and the IRS issued proposed regulations that, among other things, eliminated the obligation to withhold on gross proceeds from the sale of certain types of property and defer withholding on "foreign pass-thru payments" until two years after the effective date of the final U.S. treasury regulations defining the terms "foreign pass-thru payments".

The United States and a number of other jurisdictions have entered into Intergovernmental Agreements ("**IGAs**") to facilitate the implementation of FATCA. Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a "Reporting FI" (or, in the case of certain exempt entities, a ''Non-Reporting FI'') not subject to withholding under FATCA on any payments it receives. Further, an FFI in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being "**FATCA Withholding**") from payments it makes. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. Singapore has entered into a Model 1 IGA with the United States.

FATCA Classification of Prime US REIT

Prime US REIT will be obliged to comply with the provisions of FATCA under the terms of Singapore legislation implementing the IGA (the "**Singapore IGA Legislation**"). Prime US REIT is expected to qualify as a Non-Reporting FI under the Singapore IGA and therefore will be treated as compliant with FATCA. However because Prime US REIT has entered into an agreement with the IRS to be a withholding foreign partnership, it has agreed to assume the obligations of a registered deemed-compliant Model 1 IGA FFI. As a result, Prime US REIT should not be subject to FATCA Withholding but will be required to file a return with the IRAS each year reporting certain Unitholders (or a nil report if there are no reportable Unitholders).

FATCA Reporting and Withholding Impact on Unitholders

CDP and applicable CDP depository agents, as Reporting FIs, will be subject to reporting and withholding obligations with respect to the Unitholders. Unitholders who fail to establish their status for FATCA purposes will be subject to FATCA Withholding. A Unitholder may establish its status for FATCA purposes by providing an applicable IRS Form W-8 and such other certification or other information related to FATCA that is requested. To ensure compliance with FATCA and the Singapore IGA Legislation, CDP and CDP depository agents will be required to report to the Singapore tax authorities certain holdings by and payments made to (a) certain U.S. investors, (b) certain U.S. controlled foreign entity investors and (c) non-U.S. financial institution investors that do not comply with the terms of the Singapore IGA Legislation.

FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION IS UNCERTAIN AT THIS TIME. PROSPECTIVE UNITHOLDERS SHOULD CONSULT WITH THEIR TAX ADVISERS ON HOW THESE RULES MAY APPLY TO PRIME US REIT AND TO PAYMENTS THEY MAY RECEIVE IN CONNECTION WITH THE UNITS.

TAXATION

The following summary of certain tax consequences in Singapore and the United States of the purchase, ownership and disposition of the Units is based upon laws, regulations, rulings and decisions now in effect, all of which are subject to change (possibly with retroactive effect). The summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Units and does not purport to apply to all categories of investors, some of which may be subject to special rules. Investors should consult their own tax advisers concerning the application of Singapore and United States tax laws to their particular situations as well as any consequences of the purchase, ownership and disposition of the Units arising under the laws of any other tax jurisdictions.

In particular, the summary of U.S. federal income tax considerations (See "U.S. Federal Income Tax Overview") is based on existing law, and is limited to investors who own Units as investment assets rather than as inventory or as property used in a trade or business. Except as expressly stated below, this summary does not discuss tax considerations that might be relevant to a Unitholder that is subject to special rules under U.S. federal income tax law or a Unitholder (i) that is a United States person; (ii) that has an office or a fixed place of business in the United States; (iii) that is present in the United States for 183 days or more in a taxable year; or (iv) that is (a) a former citizen or long-term resident of the United States, (b) a foreign insurance company that is treated as holding Units in connection with its United States business, (c) a passive foreign investment company (as such term is defined in the IRC), (d) a corporation that accumulates earnings to avoid United States federal income tax, or (e) an entity treated as a partnership for U.S. federal income tax purposes. Unitholders meeting any of these criteria should consult an independent tax advisor regarding the application of these special rules.

SINGAPORE INCOME TAX OVERVIEW

Taxation of Prime US REIT

Prime US REIT is expected to derive dividends from Singapore Sub 1 and the Singapore Lending Subs (as defined below), and may derive gains from the sale of the shares in Singapore Sub 1 and/or the Singapore Lending Subs.

Tax Rulings

An application for the Tax Rulings was made based on the structure diagram of Prime US REIT as illustrated in "Overview – Structure of Prime US REIT" of this Prospectus and *inter alia*, the following representations and information:

(a) The Sponsor is working towards a proposed IPO of units in Prime US REIT on the SGX-ST.

(b) Prime US REIT will invest in immovable properties situated in the U.S. through its wholly-owned subsidiaries, Singapore Sub 1 and Singapore Sub 2. Prime US REIT will inject capital into Singapore Sub 1 and Singapore Sub 2 with the proceeds from its IPO.

(c) Singapore Sub 1 will contribute the equity funding from Prime US REIT to the Parent U.S. REIT in U.S. dollars in exchange for 100% of the voting common stock in the Parent U.S. REIT.

(d) For acquisition of the IPO portfolio, Singapore Sub 2 will inject the equity funding from Prime US REIT to subscribe for a Note issued by the Parent U.S. REIT.

(e) Subsequent to the IPO, separate wholly-owned subsidiaries of Prime US REIT will be incorporated and will each invest in a Note that is issued by the Parent U.S. REIT or provide a single Loan to the Parent U.S. REIT. (Each of Singapore Sub 2 and such subsidiary shall be referred to as a "**Singapore Lending Sub**" individually or "**Singapore Lending Subs**" collectively.)

(f) Singapore Sub 1 and the Singapore Lending Subs will be Singapore incorporated companies and Singapore tax residents.

(g) Each Singapore Lending Sub is a passive lender investing in a Note issued by the Parent U.S. REIT or providing a Loan to the Parent U.S. REIT and holds no other investment asset or portfolio.

(h) The Singapore Lending Subs cannot dictate the amount of share capital to be injected by Prime US REIT. The Singapore Lending Subs cannot deploy the share capital injected by Prime US REIT for any other purpose other than providing a Loan to the Parent U.S. REIT or subscribing for a Note that is issued by the Parent U.S. REIT; and they do not have the freedom to invest the equity injected however they so please, other than extending the Loan / subscribing for the Note.

(i) The features and terms of the Loan / Note that may be provided / subscribed for by each Singapore Lending Sub are as follows:

    (i) each Loan / Note will be interest-bearing, arm's length and on market terms and conditions governed by U.S. laws;

    (ii) each Loan / Note may allow for the repayment of principal from time to time by the Parent U.S. REIT;

    (iii) the Parent U.S. REIT's debt-to-equity ratio will be determined on an arm's length basis according to the prevailing market conditions and applicable U.S. tax requirement;

    (iv) each Loan / Note will be governed by U.S. laws and denominated in U.S. dollars;

    (v) the amount of each Loan / subscription monies for each Note will be disbursed by each Singapore Lending Sub from its Offshore Account (as defined below) to the Parent U.S. REIT's Offshore Account;

    (vi) the interest rate and debt-to-equity ratio will be either (i) formulated by the manager of the Parent U.S. REIT in the U.S., for the approval of the Manager or (ii) formulated by the Manager. The Singapore Lending Subs will not be involved in the formulation of the debt-to-equity ratio;

    (vii) the relevant agreement for each Loan / Note may either be concluded electronically[1], or may be executed wholly outside Singapore by the authorised representatives of the relevant Singapore Lending Sub and the Parent U.S. REIT; and

    (viii) the Loan amount / subscription amount from each Loan / Note will be injected by the Parent U.S. REIT as capital contributions into its subsidiaries to derive distributions from its subsidiaries.

[1] The authorised signatory of the relevant Singapore Lending Sub will sign the agreement in Singapore whilst the authorised signatory of the Parent U.S. REIT will sign the agreement outside Singapore and the signature pages will be exchanged electronically to conclude the agreement.

(j) The Parent U.S. REIT will inject the equity contribution from Singapore Sub 1 and the proceeds from the Loan / subscription monies from the Note as provided by each Singapore Lending Sub as share capital / equity into a U.S. limited liability company ("**U.S. LLC**") and/or U.S. limited partnership ("**U.S. LP**") in exchange for 100% of the membership interest in the U.S. LLC / U.S. LP and such equity contribution received likewise being injected as share capital / equity into each U.S. LLC / U.S. LP at each level (including the property-owning U.S. LLCs / U.S. LPs) in exchange for 100% of the membership interest in the relevant U.S. LLC / U.S. LP.

(k) The Parent U.S. REIT will be a U.S. corporation incorporated in the State of Delaware electing to be treated as a U.S. REIT for U.S. federal income tax purposes. The Parent U.S. REIT will be taxable in the U.S. on the profits of the U.S. LLC / U.S. LP.

(l) Each U.S. LLC / U.S. LP uses the share capital / equity contributed by the Parent U.S. REIT to (directly or indirectly) acquire U.S. immovable property and to fund its operations. The operational currency of each U.S. LLC / U.S. LP will be U.S. dollars. One or more of the U.S. LLCs / U.S. LPs may obtain third party financing in the U.S. to help fund the (direct or indirect) acquisition of a U.S. property.

(m) The U.S. LLC / U.S. LP is expected to be treated as an entity disregarded as separate from the Parent U.S. REIT for U.S. federal income tax purposes, for so long as the Parent U.S. REIT is the (direct or indirect) sole member of a U.S. LLC / U.S. LP. Accordingly, all income, gains, costs and expenses of each of the U.S. LLC / U.S. LP will be treated as income, gains, costs and expenses of the Parent U.S. REIT for tax purposes.

(n) Each of Prime US REIT, Singapore Sub 1, Singapore Lending Sub, the Parent U.S. REIT, U.S. LLCs and U.S. LPs will have at least one U.S. dollar bank account maintained outside Singapore (each an "**Offshore Account**").

(o) The distributions (including capital distributions and the principal repayment for the Loan / Note by the Parent U.S. REIT) by the Parent U.S. REIT, Singapore Sub 1, Singapore Lending Sub as well as the payment of interest on the Loan / Note by the Parent U.S. REIT to Singapore Lending Sub will be made from the Offshore Account of the contributing party to the Offshore Account of the recipient.

(p) To the extent that a Singapore Lending Sub requires the use of any portion of the interest paid by the Parent U.S. REIT (for example, to defray operating expenses), Singapore Lending Sub will remit such portion of the interest as necessary from its Offshore Account into its bank account in Singapore (the "**Remitted Interest**").

(q) The Manager will arrange for the amount to be distributed (including capital proceeds returned by Singapore Sub 1 and/or Singapore Lending Sub) to be transferred from the Offshore Account of Prime US REIT to the CDP's account in Singapore. The CDP will then facilitate the distribution to the Unitholders accordingly. Prime US REIT may also remit a portion of the dividends from Singapore Sub 1 and/or Singapore Lending Sub into its bank account in Singapore to defray the operating expenses of Prime US REIT.

Pursuant to the Tax Rulings, the IRAS confirmed that the following receipts will not be subject to tax in Singapore:

(a) interest on the Loan / Note (which the IRAS is prepared to treat as foreign-sourced) receivable by each Singapore Lending Sub from the Parent U.S. REIT (excluding any Remitted Interest);

(b) the foreign-sourced dividends receivable by Singapore Sub 1 from the Parent U.S. REIT. The tax exemption is provided under Section 13(8) of the SITA, subject to meeting the conditions in Section 13(9) of the SITA;

(c) the tax-exempt (one-tier) dividends receivable by Prime US REIT from Singapore Sub 1 and/or the Singapore Lending Sub(s);

(d) the capital proceeds receivable by Singapore Sub 1 from the Parent U.S. REIT on the redemption / return of share capital injected by Singapore Sub 1;

(e) the principal repayments on each Loan / Note receivable by each Singapore Lending Sub from the Parent U.S. REIT;

(f) the capital proceeds receivable by Prime US REIT from Singapore Sub 1 and/or the Singapore Lending Sub(s) on the redemption/return of share capital injected by Prime US REIT;

(g) the distributions receivable by the Unitholders from Prime US REIT, which is payable by Prime US REIT out of the tax-exempt (one-tier) dividend income from Singapore Sub 1 and/or the Singapore Lending Sub(s); and

(h) the distribution of capital proceeds receivable by the Unitholders from Prime US REIT, which are payable by Prime US REIT out of capital returned by Singapore Sub 1 and/or the Singapore Lending Sub(s).

Terms and conditions of the Tax Rulings

To the extent that the structure of Prime US REIT, the activities of the relevant entities in the Prime US REIT structure, the transaction and distribution flows and the key features of the new Notes / Loans to be issued / provided remain the same as those represented to the IRAS in the application for the Tax Rulings, the Tax Rulings will remain valid:

(a) in relation to subsequent Notes / Loans that may be issued / provided in relation to the acquisition of the IPO portfolio and in relation to the future acquisitions post-IPO; and

(b) for the duration or term that Prime US REIT is listed on the SGX-ST.

The Tax Rulings were made based on the IRAS' understanding that the steps to be taken in the proposed arrangements by the Sponsor and/or Manager will be in compliance with the applicable laws and regulations in the US.

The Tax Rulings were made based on facts presented to the IRAS in the application for the Tax Rulings and on the IRAS' current interpretation and application of the existing tax laws.

The Tax Rulings shall apply in relation to an arrangement as a ruling on a provision of the SITA only if the provision is expressly referred to in the Tax Rulings.

The Tax Rulings shall automatically not apply if:

(a) the arrangement is materially different from the arrangement identified in the application for the Tax Rulings;

(b) there was a material omission or misrepresentation in, or in connection with, the application for the Tax Rulings;

(c) an assumption about a future event or another matter that is material to the Tax Rulings, stated either in the Tax Rulings or in the application for the Tax Rulings, subsequently proves to be incorrect; or

(d) the IRAS stipulates a condition that is not satisfied.

In addition, where a provision of the SITA is repealed or amended, the Tax Rulings shall automatically not apply from the date of the repeal or amendment to the extent that the repeal or the amendment changes the way the provision applies in the Tax Rulings.

Further, the IRAS may at any time withdraw the Tax Rulings from such date specified, by notifying the Manager in writing of the withdrawal and the reasons therefor.

Dividends received by Prime US REIT from Singapore Sub 1 and/or the Singapore Lending Subs

Based on the Tax Rulings, IRAS has agreed that the tax exempt (one-tier) dividends receivable by Prime US REIT which will be paid by Singapore Sub 1 and/or the Singapore Lending Subs will not be subject to tax in Singapore.

Dividends paid by Singapore Sub 1 and/or the Singapore Lending Subs should be considered tax exempt (1-tier) dividends pursuant to Section 13(1)(za) of the SITA, provided Singapore Sub 1 and the Singapore Lending Subs are tax resident in Singapore. For the purposes of the SITA a company is considered to be tax resident of Singapore if the control and management of its business is exercised in Singapore.

Returns of capital received by Prime US REIT

Based on the Tax Rulings, IRAS has agreed that the returns of capital receivable by Prime US REIT (from Singapore Sub 1 and/or the Singapore Lending Subs in redeeming / returning share capital / equity injected by Prime US REIT) will not be subject to tax in Singapore.

Gains from the sale of shares of Singapore Sub 1 and/or the Singapore Lending Subs

Singapore does not impose tax on capital gains. Gains derived by Prime US REIT from the disposal of shares in Singapore Sub 1 and/or any Singapore Lending Subs that are capital in nature will not be subject to tax. However, such gains may be considered income in nature and subject to income tax if they arise from or are otherwise connected with the activities of a trade or business carried on in Singapore. Such gains may also be considered income in nature, even if they do not arise from an activity in the ordinary course of trade or business or an ordinary incident of some other business activity, if Prime US REIT did not intend to acquire and hold the shares in question as long-term investments. Whether any gain from the sale of any such shares is or is not derived from a trade or business has to be determined based on the totality of facts surrounding the acquisition, holding and disposal of the relevant shares.

In practice, should such gains be determined to be income and hence subject to income tax, the tax will be assessed on the Trustee, and in the event that the Trustee and the Manager exercise their discretion to make a distribution out of such gains assessed to tax directly on the Trustee, such distribution will not be further taxed and the Unitholders will not be able to claim a tax credit in respect of the tax paid at the Trustee level.

Taxation of Singapore Sub 1

Dividends from the Parent U.S. REIT

Based on the Tax Rulings, the IRAS has agreed that the dividend income for Singapore Sub 1 from the Parent U.S. REIT is tax exempt under Section 13(8) of the SITA subject to meeting the conditions in Section 13(9) of the SITA which are:

(a) the income is subject to tax of a similar character to income tax (by whatever name called) under the law of the territory from which the income is received;

(b) at the time the income is received in Singapore by the person tax resident in Singapore, the highest rate of tax of a similar character to income tax (by whatever name called) levied under the law of the territory from which the income is received on any gains or profits from any trade or business carried on by any company in that territory at that time is not less than 15%; and

(c) the Comptroller of Income Tax is satisfied that the tax exemption would be beneficial to the person tax resident in Singapore.

Gains from the disposal of the Parent U.S. REIT

Singapore does not impose tax on capital gains. Gains derived by Singapore Sub 1 from the disposal of shares in the Parent U.S. REIT that are capital in nature will not be subject to tax. However, such gains may be considered income in nature and subject to income tax if they arise from or are otherwise connected with the activities of a trade or business carried on in Singapore. Such gains may also be considered income in nature, even if they do not arise from an activity in the ordinary course of trade or business or an ordinary incident of some other business activity, if Singapore Sub 1 did not intend to acquire and hold the shares in question as long-term investments. Whether any gain from the sale of any such shares is or is not derived from a trade or business has to be determined based on the totality of facts surrounding the acquisition, holding and disposal of the relevant shares.

Capital Proceeds paid by the Parent U.S. REIT

Pursuant to the Tax Rulings, the IRAS had agreed that the capital proceeds paid by the Parent U.S. REIT to Singapore Sub 1 in redeeming/returning share capital injected by Singapore Sub 1 will not be subject to tax in Singapore.

Taxation of the Singapore Lending Subs

Interest income from the Parent U.S. REIT

Pursuant to the Tax Rulings, the IRAS is prepared to treat the interest income from the Loan / Note receivable by each Singapore Lending Sub from the Parent U.S. REIT as foreign-sourced. The interest income will therefore not be subject to tax in Singapore unless it is remitted or deemed remitted under Section 10(25) of the SITA.

Section 10(25) of the SITA states that the following amounts shall be deemed to be income received in Singapore from outside Singapore whether or not the source from which the income is derived has ceased:

(a) any amount from any income derived from outside Singapore which is remitted to, transmitted or brought into, Singapore;

(b) any amount from any income derived from outside Singapore which is applied in or towards satisfaction of any debt incurred in respect of a trade or business carried on in Singapore; and

(c) any amount from any income derived from outside Singapore which is applied to purchase any movable property which is brought into Singapore.

If the interest income is used by the Singapore Lending Subs to pay tax exempt (one-tier) dividends from the Singapore Lending Subs' Offshore Accounts directly into Prime US REIT's Offshore Account, this alone should not result in any deemed receipt or remittance of the interest into Singapore by the Singapore Lending Subs within the meaning of Section 10(25) of the SITA.

Principal repayments by the Parent U.S. REIT

Pursuant to the Tax Rulings, the IRAS had agreed that the principal repayments on the Loans / Notes by the Parent U.S. REIT to each Singapore Lending Sub will not be subject to tax in Singapore.

Taxation of Prime US REIT's Unitholders

Distributions out of tax exempt dividends

Tax exempt dividends should not form part of the statutory income of the Trustee of Prime US REIT and distributions made out of such non-taxable income should not be taxable in the hands of the Unitholders. Pursuant to the Tax Rulings, IRAS has agreed that the distributions receivable by the Unitholders of Prime US REIT (payable out of the tax-exempt (one-tier) dividend income from Singapore Sub 1 and/or the Singapore Lending Sub(s)) will not be subject to tax in Singapore.

Distributions out of capital gains

Capital gains should not form part of the statutory income of the Trustee of Prime US REIT and distributions made out of such non-taxable income should not be taxable in the hands of the Unitholders. Hence, distributions made out of gains or profits arising from a disposal of any property of Prime US REIT that have been determined to be capital gains should not be taxable in the hands of Unitholders.

Pursuant to the Tax Rulings, IRAS had agreed that the distribution of capital proceeds receivable by the Unitholders of Prime US REIT (which are payable by Prime US REIT out of the capital returned by Singapore Sub 1 and/or the Singapore Lending Sub(s)) will not be subject to tax in Singapore.

Gains from disposal of the Units

Singapore does not impose tax on capital gains. Therefore, gains on disposal of the Units that are capital in nature will not be subject to tax. However, such gains may be considered income in nature and subject to income tax if they arise from or are otherwise connected with the activities of a trade or business carried on in Singapore. Such gains may also be considered income in nature, even if they do not arise from an activity in the ordinary course of trade or business or an ordinary incident of some other business activity, if the Unitholder did not intend to acquire and hold the Units as long-term investments.

Whether any gain from the sale of any of the Units is or is not derived from a trade or business has to be determined based on the totality of facts surrounding the acquisition, holding and disposal of the Units. Because of this, Unitholders are advised to consult their own professional advisers on the Singapore tax consequences that may apply to their individual circumstances.

STAMP DUTY OVERVIEW

Stamp duty should not be payable on the transfers of the Units through the CDP without any written instrument or agreement of transfer. In the event of a change of trustee for Prime US REIT, stamp duty should not be payable on any document effecting the appointment of a new trustee and the transfer of the Deposited Property from the incumbent trustee to the new trustee, if there is no beneficial interest in the Deposited Property transferred to the new trustee.

GOODS AND SERVICES TAX OVERVIEW

Issue and disposal of the Units

The issue of the Units should not be subject to GST. Hence, Unitholders would not incur any GST on the subscription of the Units. The subsequent disposal of the Units by Unitholders should also not be subject to GST.

Recovery of GST incurred by Unitholders

Generally, services such as legal fee, brokerage, handling and clearing charges rendered by a GST-registered person to Unitholders belonging in Singapore in connection with their purchase and sale of Units would be subject to GST at the prevailing standard-rate of 7.0%. Similar services rendered to Unitholders belonging outside Singapore could be zero-rated when certain conditions are met.

For Unitholders belonging in Singapore who are registered for GST, any GST on expenses incurred in connection with the disposal of the Units may not be recoverable as input tax credit from the IRAS unless certain conditions are satisfied. These GST-registered Unitholders should seek the advice of their tax advisers on these conditions.

US FEDERAL INCOME TAX OVERVIEW

US Federal Income Taxation of the Parent U.S. REIT

The following is a general summary of the material provisions of the IRC that govern the US federal income tax treatment of US REITs. This summary is qualified in its entirety by the applicable IRC provisions, relevant rules and regulations, and administrative and judicial interpretations of the IRC provisions and regulations. This summary does not discuss all aspects of US federal taxation that may be relevant to a particular prospective investor in light of its particular circumstances and income tax situation and does not describe any estate, gift, state, local, non-US, or other tax considerations. Prospective investors should consult their tax advisor as to the specific US tax consequences to them from the acquisition, ownership and disposition of Units, including the possible effects of changes in US or other tax laws.

General

The Parent U.S. REIT intends to make an election to be taxed as a US REIT under Sections 856 through 860 of the IRC for its initial taxable year; and that election will continue in effect for subsequent taxable years, assuming continuing compliance with the then applicable qualification tests. The Parent U.S. REIT's qualification and taxation as a US REIT will depend upon its compliance on a continuing basis with various qualification tests imposed under the IRC and summarised below. If the Parent U.S. REIT fails to qualify as a US REIT in any year, it will be subject to US federal income taxation as if it were a corporation taxed under subchapter C of the IRC (or a C corporation). In this event, significant tax liabilities could be incurred, and the amount of cash available for distribution to Unitholders could be reduced or eliminated.

A US REIT is generally permitted to deduct dividends paid to its shareholders from its corporate income. As such, if the Parent U.S. REIT qualifies as a US REIT and meets the tests described below, it will generally not be subject to US federal income tax on its net income distributed as dividends. Notwithstanding its US REIT election, the Parent U.S. REIT will be subject to US tax in certain circumstances, including but not limited to the following:

- The Parent U.S. REIT will be taxed at regular corporate rates on any undistributed "real estate investment trust taxable income."

- If the Parent U.S. REIT fails to satisfy the 75% gross income test or the 95% gross income test discussed below, due to reasonable cause and not due to wilful neglect, but nonetheless maintains its qualification as a US REIT because of specified cure provisions, it will be subject to tax at a 100% rate on the greater of the amount by which it fails the 75% gross income test or the 95% gross income test, with adjustments, multiplied by a fraction intended to reflect its profitability.

- If the Parent U.S. REIT fails to satisfy the US REIT asset tests described below, due to reasonable cause and not due to wilful neglect, but nonetheless maintains its qualification as a US REIT because of specified cure provisions, it will be subject to a tax equal to the greater of US$50,000 or the highest corporate tax rate multiplied by the net income generated by the non-qualifying assets that caused it to fail the test.

- If the Parent U.S. REIT fails to satisfy any provision of the IRC that would result in its failure to qualify as a US REIT (other than violations of the US REIT gross income tests or violations of the US REIT asset tests described below), due to reasonable cause and not due to wilful neglect, it may retain its US REIT qualification but will be subject to a penalty of US$50,000 for each failure.

- If the Parent U.S. REIT does not distribute for any calendar year at least the sum of 85% of its REIT ordinary income for that year, 95% of its REIT capital gain net income for that year, and any undistributed taxable income from prior periods, it will be subject to a 4% non-deductible excise tax on the excess of the required distribution over the amounts actually distributed.

- If the Parent U.S. REIT acquires any asset, directly or indirectly, from a C corporation, which is a corporation generally subject to full corporate level tax, in a transaction in which such US REIT's basis in the asset is determined by reference to the basis of the asset (or any other property) in the hands of the C corporation, and such US REIT were to recognise gain on the disposition of such asset during the five-year period beginning on the date on which it acquired such asset, then, to the extent of such property's built-in gain (the excess of the fair market value of such property at the time the US REIT acquired it over the adjusted basis of such property at such time), such gain will be subject to tax at the highest regular corporate applicable rate.

In addition, the Parent U.S. REIT may be subject to state and local income or other taxation in various jurisdictions, and such treatment may differ from the US federal income tax treatment described herein.

Organisation Requirements

Pursuant to Sections 856(a)(1) through (a)(6) of the IRC, in order to qualify as a US REIT, the Parent U.S. REIT must be a corporation, trust or association:

(1) that is managed by one or more trustees or directors;

(2) the beneficial ownership of which is evidenced by transferable shares or by transferable certificates of beneficial interest;

(3) that would be taxable, but for the US REIT provisions of the IRC, as an ordinary corporation organised in the United States;

(4) that is not a financial institution or an insurance company subject to special provisions of the IRC;

(5) the beneficial ownership of which is held by 100 or more persons; and

(6) that is not more than 50% in value owned, directly or indirectly, by five or fewer individuals (including natural persons and specified benefit plans, foundations, and charitable trusts).

The IRC provides that conditions (1) through (4) must be met during the entire taxable year, that condition (5) must be met during at least 335 days of a taxable year of 12 months, or during a proportionate part of a taxable year of less than 12 months, and that neither condition (5) nor (6) need to have been met during a company's first taxable year as a REIT. The Parent U.S. REIT will issue to more than 100 individuals (also known as the accommodation shareholders) preferred shares that are subject to transfer restrictions to ensure compliance with condition (5)[1]. These individuals will be unrelated to the Sponsor. The preferred shares will be entitled to a fixed coupon but do not carry any voting rights. To help comply with condition (6), the Deed of Trust restricts transfers of Units that would otherwise result in concentrated ownership positions. See "The Formation and Structure of Prime US REIT – The Trust Deed – Restriction on Ownership of the Units" for further details.

Income Tests

There are two gross income requirements for qualification as a US REIT under the IRC:

(1) At least 75% of a US REIT's gross income (excluding gross income from prohibited transactions and specified other items) for each taxable year must be derived directly or indirectly from investments relating to real property, including "rents from real property" as defined under Section 856 of the IRC (which may also include certain recoveries income), interest and gain from mortgages on real property, gain from the sale or other disposition of real property other than dealer property, or dividends and gain from shares in other REITs. In addition, income attributable to the temporary investment of new capital is generally also qualifying income under the 75% gross income test if specified requirements are met; and

---

[1] Parent U.S. REIT is able to monitor and manage that it has at least 100 shareholders as the only redemption provisions for these shareholders are entirely within the control of Parent U.S. REIT. Specifically, to ensure that the number of shareholders of Parent U.S. REIT is at least 100 persons, the Certificate of Incorporation of Parent U.S. REIT provides that any transfer of shares that would cause there to be fewer than 100 beneficial owners of shares is null and void ab *initio*. Transfers of shares are not effective until the transferor and transferee deliver to the board of director of the Parent U.S. REIT an instrument in form and substance satisfactory to the board of directors representing that the transfer complies with applicable law and the Certificate of Incorporation, which includes the restriction that transfers that result in the Parent U.S. REIT having fewer than 100 shareholders is null and void ab *initio*. In addition, Parent U.S. REIT also has the right to require all record and beneficial owners of shares to provide such information as the Parent U.S. REIT may reasonably request to ascertain compliance with the restrictions of the Certificate of Incorporation and the beneficial owners of the shares. The Parent U.S. REIT is assisted in this compliance by a third-party service provider and the fees paid to such third-party service provider shall be borne by Prime US REIT. Material terms of the preferred shares are disclosed in "Overview – Structure of Prime US REIT – Overview of US REIT Structure".

(2) At least 95% of a US REIT's gross income (excluding gross income from prohibited transactions and specified other items) for each taxable year must be derived from investments relating to real property that satisfy the 75% gross income test, dividends, interest, and gain from the sale or disposition of stock or securities.

These two gross income tests are complementary. The 75% gross income test ensures that most of the revenue of a US REIT is generated from real estate activities, while the 95% gross income test ensures that virtually all of the revenue of a US REIT is passive in nature (including income from real estate activities that satisfies the 75% gross income test).

In order for rents to qualify as "rents from real property", several requirements must be met:

- The amount of rent received generally must not be based on the income or profits of any person, but may be based on a fixed percentage or percentages of gross receipts or sales.

- A US REIT must not own 10.0% or more by vote or value of the tenant, whether directly or after application of attribution rules, except in the case of rent received by a US REIT from its TRS where (i) at least 90.0% of the leased space of a property is leased to tenants other than TRSs and 10.0% affiliated tenants, and (ii) the TRS's rent for space at that property is substantially comparable to the rents paid by non-affiliated tenants for comparable space at the property, or in other circumstances where the subject property is a qualified health care property or a qualified lodging facility.

- A US REIT must not furnish or render services other than "customary" services to the tenants of the property, except through an independent contractor from whom it derives no income or through its TRS. TRSs are subsidiaries of US REITs that are generally permitted to undertake activities that the US REIT rules might prohibit a US REIT from performing directly. A *de minimis* amount of non-customary services provided to tenants will not disqualify income as "rents from real property" so long as the value of the impermissible tenant services does not exceed 1% of the gross income from the property.

- If rent attributable to personal property leased in connection with a lease of real property is 15% or less of the total rent received under the lease, then the rent attributable to personal property will qualify as "rents from real property"; if this 15% threshold is exceeded, the rent attributable to personal property will not so qualify. The portion of rental income treated as attributable to personal property is determined according to the ratio of the fair market value of the personal property to the total fair market value of the real and personal property that is rented.

If the Parent U.S. REIT fails to satisfy one or both of the 75% gross income test or the 95% gross income test for any taxable year, it may nevertheless qualify as a US REIT for such year if it is entitled to relief under certain provisions of the IRC. As discussed above in "General," even if these relief provisions were to apply, a tax would be imposed to the extent of the infraction.

Asset Tests

At the close of each quarter of its taxable year, a US REIT must also satisfy five tests relating to the nature of its assets.

(1) At least 75% of the value of a US REIT's total assets must be represented by real estate assets (which includes ancillary personal property leased in connection with real property to the extent that the rents attributable to such personal property are treated as rents

from real property in accordance with the rules described above), shares in US REITs, cash and cash items, government securities, and temporary investments of new capital meeting specified requirements.

(2) Not more than 25% of a US REIT's total assets may be represented by securities other than those in the 75% asset class.

(3) Not more than 20% of the value of a US REIT's total assets may be represented by stock or securities of TRSs.

(4) Of the investments not included in the 75% asset class, the value of any one issuer's securities owned by a US REIT may not exceed 5% of the value of the US REIT's total assets, and a US REIT may not own more than 10% of the total voting power or 10% of the total value of one issuer's outstanding securities. The foregoing 5% and 10% limitations do not apply to the stock or other securities of another US REIT, or the equity or debt securities of a TRS.

(5) Not more than 25% of the value of a US REIT's total assets may be represented by "nonqualified publicly offered REIT debt instruments" as defined in Section 856(c)(5)(L)(ii) of the IRC.

The Parent U.S. REIT is expected to satisfy the above asset tests on a continuing basis beginning with its first taxable year that it intends to qualify as a US REIT. If the Parent U.S. REIT fails to satisfy any of the above asset tests, it may nevertheless qualify as a US REIT for such year if it is entitled to relief under certain provisions of the IRC. As discussed above in "General," even if these relief provisions were to apply, a tax would be imposed.

Annual Distribution Requirements

US REITs are required to make annual distributions other than capital gain dividends in an amount at least equal to the excess of:

(1) the sum of 90.0% of their "real estate investment trust taxable income" and 90.0% of their net income after tax, if any, from property received in foreclosure, over

(2) the amount by which their non-cash income exceeds 5.0% of their "real estate investment trust taxable income."

For these purposes, "real estate investment trust taxable income" is as defined under the IRC. The distributions must generally be paid in the taxable year to which they relate, or in the following taxable year if declared before the US REIT timely files its federal income tax return for the earlier taxable year and if paid on or before the first regular distribution payment after that declaration. US REITs are subject to a 4% non-deductible excise tax to the extent they fail within a calendar year to distribute 85% of their ordinary income and 95% of their capital gain net income plus the excess, if any, of the "grossed up required distribution" for the preceding calendar year over the amount treated as distributed for that preceding calendar year.

If the Parent U.S. REIT does not have cash available for distribution, Singapore Sub 1 or the Parent U.S. REIT may receive a consent dividend in excess of any actual distribution of cash or other property that it receives from Parent U.S. REIT. A consent dividend will be treated in all respects as a regular dividend paid by Parent U.S. REIT, and received by Singapore Sub 1 or the Parent U.S. REIT, respectively, except that no cash will be distributed in respect of the consent dividend. Following a consent dividend, the amount deemed distributed less any amounts withheld (as discussed below) will be treated as though it were contributed back to

Parent U.S. REIT by Singapore Sub 1. Alternatively, the Parent U.S. REIT may borrow funds to satisfy the distribution requirements. Further, a denial of Parent U.S. REIT's interest deduction under Section 267A would result in a significant amount of additional real estate investment trust taxable income that would be required to be distributed pursuant to the above discussion.

Failure to Qualify as a US REIT

If the Parent U.S. REIT fails to qualify for taxation as a US REIT in any taxable year and no relief provisions apply, it will be subject to US federal income tax on its taxable income at regular corporate rates, currently 21%, as well as state income tax. Distributions in any year in which the Parent U.S. REIT fails to qualify as a US REIT will not be deductible by such entity, nor will they be required to be made. In such event, to the extent of current and accumulated earnings and profits, all distributions will be taxable as ordinary dividends. Unless entitled to relief under specific statutory provisions, a US REIT is disqualified from taxation as a US REIT under the IRC for the four taxable years following the year during which qualification was lost. Such disqualification would adversely affect Prime US REIT's ability to make distributions to Unitholders.

Other Tax Considerations

The Parent U.S. REIT may also be subject to franchise, income or property taxation by state or local jurisdictions. State and local tax consequences may not be comparable to the federal income tax consequences discussed above.

US Federal Income Taxation of Unitholders on Disposition of Units

Gain on sale of Units by a Unitholder that is not a US person ("**Non-US Unitholder**") will not be subject to US federal income taxation unless (i) the Non-US Unitholder's investment in the Units is effectively connected with its conduct of a trade or business in the United States (and, if provided by an applicable income tax treaty, is attributable to a permanent establishment or fixed base the Non-US Unitholder maintains in the United States), (ii) the Non-US Unitholder is present in the United States for 183 days or more in the taxable year of the sale and other specified conditions are met, or (iii) the Non-US Unitholder is subject to US federal income tax pursuant to the provisions of the US tax law applicable to US expatriates.

If the gain on the sale of Units were subject to US federal income taxation, the Unitholder would generally recognise gain or loss equal to the difference between the amount realised and the Unitholder's adjusted basis in its Units that are sold or exchanged. This gain or loss would be capital gain or loss, and would be long-term capital gain or loss if the Unitholder's holding period in its Units exceeds one year. In addition, a corporate Non-US Unitholder may be subject to the branch profits tax under Section 884 of the IRC.

US Federal Income Taxation of Distributions from Parent U.S. REIT To Singapore Sub 1

A distribution by the Parent U.S. REIT to Singapore Sub 1 (which has filed an election to confirm its classification as a corporation for US federal income tax purposes) that is not attributable to gain from the sale or exchange of a United States real property interest and that is not designated as a capital gain dividend, including a deemed distribution such as a consent dividend, will be treated as an ordinary income dividend to the extent that it is made out of current or accumulated earnings and profits. A distribution of this type will generally be subject to US federal income tax and withholding at a rate of 30%. Because the Parent U.S. REIT cannot determine its current and accumulated earnings and profits until the end of its taxable year, withholding at the rate of 30% will generally be imposed on the gross amount of any distribution to Singapore Sub 1 that the Parent U.S. REIT makes and does not designate as a capital gain dividend. Notwithstanding this withholding on distributions in excess of Parent U.S. REIT's current and accumulated earnings and profits, these distributions are a non-taxable return of capital to the extent that they do not exceed Singapore Sub 1's adjusted basis in its Parent U.S. REIT units, and the non-taxable return of capital will reduce the adjusted basis in those units. Singapore Sub 1 may seek a refund from the IRS of amounts withheld on distributions to it in excess of the Parent U.S. REIT's current and accumulated earnings and profits, provided that the applicable withholding agent has properly deposited the withheld tax with the IRS.

For any year in which the Parent U.S. REIT qualifies as a US REIT, distributions that are attributable to gain from the sale or exchange of a United States real property interest will be taxed to Singapore Sub 1 as if these distributions were gains effectively connected with a trade or business in the United States conducted by Singapore Sub 1. Accordingly, Singapore Sub 1 (i) will be taxed on these amounts at the normal capital gain and other tax rates applicable to a US corporation, (ii) will be required to file a US federal income tax return reporting these amounts, even if applicable withholding is imposed as described below, and (iii) may owe the 30% branch profits tax under Section 884 of the IRC in respect of these amounts. The 30% branch profits tax will not apply to distributions of proceeds from the sale of the membership units of a Springing REIT (a U.S. LLC that has properly elected to be a U.S. REIT) by Parent U.S. REIT. Note however, that it may not be possible for Parent U.S. REIT to avoid application of the branch profits tax in any such sale scenario, and there can be no assurance the Parent U.S. REIT will be able to successfully dispose of one or more Springing REITs. The Parent U.S. REIT will be required to withhold tax from distributions to Singapore Sub 1, and remit to the IRS, 21% of the maximum amount of any such distribution that could be designated as a capital gain dividend. The amount of any tax withheld will be creditable against Singapore Sub 1's US federal income tax liability, and Singapore Sub 1 may file for a refund from the IRS of any amount of withheld tax in excess of that tax liability, provided that the applicable withholding agent has properly deposited the withheld tax with the IRS.

Distributions by Prime US REIT to a Non-US Unitholder attributable to distributions received from Singapore Sub 1 will not be subject to US federal income taxation unless (i) the Non-US Unitholder's investment in the Units is effectively connected with its conduct of a trade or business in the United States (and, if provided by an applicable income tax treaty, is attributable to a permanent establishment or fixed base the Non-US Unitholder maintains in the United States) or (ii) the Non-US Unitholder is subject to US federal income tax pursuant to the provisions of the US tax law applicable to US expatriates.

US Federal Income Taxation of Interest Payments from the Parent U.S. REIT to Singapore Sub 2

Considerations Affecting Unitholders

Singapore Sub 2 is expected to be disregarded as separate from Prime US REIT for US federal income tax purposes pursuant to an entity classification election filed with the IRS. Interest payments to Singapore Sub 2 will therefore be treated as being received by Prime US REIT. As discussed below, Prime US REIT will be treated as a partnership for US federal income tax purposes. As such, each Unitholder will be required to take into account for US federal income tax purposes its allocable share of interest payments from the Parent U.S. REIT.

Interest payments from the Parent U.S. REIT to Singapore Sub 2 attributable to the loan from Singapore Sub 2 should not be subject to (i) US federal income tax to the extent that they are allocable to Unitholders that are not U.S. Persons or (ii) the 30% US federal withholding tax (which will be withheld by Prime US REIT), if, in each case, the interest qualifies as "portfolio interest." The interest will qualify as portfolio interest with respect to any Non-US Unitholder not engaged in a U.S. trade or business provided that (i) the beneficial owner does not actually or constructively own 10% or more of the total combined voting power of all classes of Units entitled to vote, (ii) the beneficial owner is not a controlled foreign corporation to which Parent U.S. REIT is a "related person" within the meaning of the IRC, and (iii) the beneficial owner has provided a statement signed under penalties of perjury that includes its name and address and certifies that it is a Non-US Unitholder in compliance with applicable requirements, on an applicable IRS Form W-8. In addition to providing an IRS Form W-8, to avoid withholding on its share of interest payments, each Unitholder must provide Prime US REIT with the signed certifications in Appendix I.

Interest received by Singapore Sub 2 that does not qualify as portfolio interest will generally be subject to US federal income tax and withholding at a rate of 30% (or a lower applicable tax treaty rate) unless the interest is allocable to (i) a Non-US Unitholder whose investment in the Units is effectively connected with its conduct of a trade or business in the United States or (ii) a Unitholder that is a US person. Such Unitholders will be subject to tax with respect to interest from the Parent U.S. REIT as ordinary income, and a corporate Non-US Unitholder may be subject to the branch profits tax under Section 884 of the IRC.

Considerations Affecting Parent U.S. REIT

There are limitations on the amount of deductible interest expense in numerous circumstances. For example, interest is only deductible when actually paid in cash, the loan from Singapore Sub 2 must be treated as debt for US tax purposes, if the interest rate exceeds certain thresholds, a portion may be deferred or permanently non-deductible, and certain recently enacted U.S. tax legislation more fully described below may affect or eliminate the deductibility of interest payments.

In addition, because various entities including Singapore Sub 2 and Parent U.S. REIT are under common control, the IRS could seek to reallocate gross income and deductions between Singapore Sub 2 and the Parent U.S. REIT if it determines that the rate of interest charged is not at arm's length. In order to prevent such reallocation, Parent U.S. REIT intends to comply with the transfer pricing regulations applicable to interest payable to Singapore Sub 2. In addition, Parent U.S. REIT intends to comply with current and proposed guidance to ensure that the loans from Singapore Sub 2 are respected as bona fide debt.

Section 267A provides that no deduction shall be allowed for any disqualified related party amount paid or accrued pursuant to a hybrid transaction or by, or to, a hybrid entity. A "disqualified related party amount" includes any interest paid or accrued to a related party to the extent that (i) such amount is not included in the income of such related party under the tax law of the country of which such related party is a resident for tax purposes or is subject to tax, or (ii) such related party is allowed a deduction with respect to such amount under the tax law of such country. A "hybrid transaction" includes any transaction, series of transactions, agreement, or instrument one or more payments with respect to which are treated as interest for U.S. federal income tax purposes and which are not so treated for purposes of the tax law of the foreign country of which the recipient of such interest payment is resident for tax purposes or is subject to tax. The Proposed Regulations address certain related party payments or accruals of interest for U.S. tax purposed that involve hybrid arrangements (generally arrangements that exploit differences under U.S. and foreign tax laws between the tax characterisation of an entity as transparent or opaque or differences in the treatment of income from financial instruments or other transactions) or similar arrangements involving branches. Final regulations are expected in 2019. The Proposed Regulations should not operate to deny the Parent U.S. REIT's interest deduction, however, it is uncertain whether the final regulations will produce the same outcome.

Section 163(j) provides that the amount allowed as a deduction for any taxable year for business interest shall not exceed the sum of the business interest income of such taxpayer for such taxable year plus 30% of the adjusted taxable income of such taxpayer for such taxable year (in general, business taxable income computed without regard to business interest income, business interest expense and net operating loss carryovers). Section 163(j) does not apply to any real property development, redevelopment, construction, reconstruction, acquisition, conversion, rental, operation, management, leasing, or brokerage trade or business that elects to claim depreciation deductions with respect to its property under an alternative system that provides for less rapid recovery of the cost of depreciable property than that available under the system that is generally applicable. Parent U.S. REIT intends to make this election. Proposed Regulations were issued in November 2018 (the "**163(j) Proposed Regulations**"). Pursuant to the 163(j) Proposed Regulations, while Parent U.S. REIT expects to qualify for the election out of Section 163(j), no assurance in that regard can be given that the final regulations under Section 163(j) will produce a similar result. If Parent U.S. REIT were to fail to qualify for the election, Unitholders' investment in Prime US REIT would be adversely affected to a material extent.

Under recently enacted amendments to Section 172 of the Code, a REIT's deduction for any NOL carryforwards arising from losses it sustains in taxable years beginning after 31 December 2017 is limited to 80% of a REIT's taxable income (determined without regard to the deduction for dividends paid), and any unused portion of losses arising in taxable years ending after 31 December 2017 may not be carried back, but may be carried forward indefinitely.

Classification of Prime US REIT as a Partnership for US Federal Income Tax Purposes

Although Prime US REIT will be organised as a trust in Singapore, it has elected to be treated as a partnership for US federal income tax purposes. While publicly traded partnerships are generally taxable as corporations under applicable US tax rules, an exception exists with respect to publicly traded partnerships that would not be a regulated investment company were it organised as a US corporation and of which 90.0% or more of the gross income for every taxable year consists of "qualifying income." Qualifying income includes, among other things, income and gains derived from (i) interest (other than that from a financial business), (ii) dividends, (iii) the sale of real property and (iv) the sale or other disposition of capital assets that otherwise produce qualifying income. Prime US REIT expects it will meet both of these requirements and therefore expects to be taxable as a partnership.

Prime US REIT as a Withholding Foreign Partnership

Prime US REIT will file an application with the IRS to be a withholding foreign partnership ("**WFP**") for US federal income tax purposes post-IPO. Under the application, Prime US REIT intends to assume primary withholding responsibility with respect to distributions it makes to Unitholders. The withholding partnership application expands the scope of payments for which Prime US REIT can act as a withholding partnership to reportable amounts. As a result, documentation collected by Prime US REIT from Non-US Unitholders is retained and does not get transferred by Prime US REIT to other funds, portfolio companies, up-stream withholding agents, or the IRS, and US tax reporting and compliance will thus be simplified.

As a WFP, Prime US REIT also must agree to assume certain obligations, including applying the appropriate US withholding tax amounts to all partners. The Parent U.S. REIT will generally pay all interest to Singapore Sub 2 in the gross amount (that is, without reduction for any US withholding taxes). Similarly, Singapore Sub 1 and Singapore Sub 2 will generally pay all dividends to Prime US REIT in the gross amount. Prime US REIT will then be required to apply the appropriate amount of withholding tax based on the type of income received and the specific makeup of the Unitholders. Prime US REIT may be liable for any under-withholding.

FATCA

Non-United States financial institutions and other non-United States entities are subject to diligence and reporting requirements for purposes of identifying accounts and investments held directly or indirectly by United States persons. The failure to comply with these additional information reporting, certification and other requirements could result in a 30% withholding tax on applicable payments to non-United States persons. Pursuant to the Singapore IGA Legislation, CDP and CDP depository agents may be required to withhold 30% of the gross amount of "withholdable payments" (generally allocable shares of income and proceeds from the sale or other disposition of interests, as defined in the IRC) paid or deemed paid to an FFI or to a nonfinancial foreign entity, unless (i) the FFI undertakes specified diligence and reporting obligations regarding ownership of its accounts by United States persons or (ii) the nonfinancial foreign entity either certifies it does not have any substantial US owners or furnishes identifying information regarding each substantial US owner, respectively. FFIs located in jurisdictions that have an intergovernmental agreement with the United States with respect to these requirements may be subject to different rules. The foregoing withholding regime is now in effect for payments from sources within the United States but, according to recent administrative guidance, will apply to "foreign pass-thru payments" (a term not yet defined) no earlier than 1 January 2019. On 13 December 2018, the Department of the Treasury and the IRS issued proposed regulations that, among other things, eliminated the obligation to withhold on gross proceeds from the sale of certain types of property and defer withholding on "foreign pass-thru payments" until two years after the effective date of the final U.S. treasury regulations defining the term "foreign pass-thru payment". Non-US Unitholders should consult with their tax adviser regarding foreign account tax compliance. (See "Overview of Relevant Laws and Regulations in the United States – FATCA Rules" for further details.)

Partnership Information Returns and Audit Procedures

Prime US REIT intends to make available to each Unitholder that is a United States person, after the close of each taxable year, required tax information, which sets forth each Unit's share of Prime US REIT's income, gain, loss and deduction for the preceding taxable year. The IRS may audit the federal income tax information returns filed by Prime US REIT (if any). Adjustments resulting from any such audit may require each partner to adjust a prior year's tax liability.

Prime US REIT intends to adopt newly issued audit procedures effective as of its date of formation. Under these procedures, if the IRS makes audit adjustments to Prime US REIT's income tax information returns, it may assess and collect any taxes (including any applicable penalties and interest) resulting from such audit adjustment directly from Prime US REIT. Generally, instead of paying any taxes itself, Prime US REIT may elect to have any adjustments to its taxable income passed through to those persons who held Units during the tax year under audit in proportion to their unitholdings in Prime US REIT during the tax year under audit, but there can be no assurance that such election will be effective in all circumstances. If Prime US REIT does not or is unable to make this election, then the Unitholders at the time of the audit may bear some or all of the tax liability resulting from such audit adjustment, even if such Unitholders did not own Units during the tax year under audit. If, as a result of any such audit adjustments, Prime US REIT is required to make payments of taxes, penalties and interest, its cash available for distribution to Unitholders might be reduced.

PLAN OF DISTRIBUTION

The Manager is making an offering of 335,203,200 Units representing 36.3% of the total number of Units in issue after the Offering for subscription at the Offering Price under the Placement Tranche and the Singapore Public Offer. 318,442,200 Units will be offered under the Placement Tranche and no less than 16,761,000 Units will be offered under the Singapore Public Offer. Units may be re-allocated between the Placement Tranche and the Singapore Public Offer at the discretion of the Joint Bookrunners (in consultation with the Manager), subject to the minimum unitholding and distribution requirements of the SGX-ST. The Singapore Offer Agreement was entered into on 8 July 2019 in connection with the Singapore Public Offer. The Placement Agreement is expected to be entered into on or prior to the closing date for the Singapore Public Offer, being 15 July 2019. If for any reason the Placement Agreement is not entered into, the Offering will not proceed and all application monies will be refunded (without interest or any share of revenue or other benefit arising therefrom) to all applicants, at their own risk (provided that such refunds are made in accordance with the procedures set out in the instructions booklet on “Terms, Conditions and Procedures for Application for the Offering Shares in Singapore”).

Placement

Under the Placement Tranche, the Manager intends to offer the Units by way of an international placement through the Joint Bookrunners to investors, in offshore transactions as defined in and in reliance on Regulation S. The Manager, the Sponsor and the Joint Bookrunners, among others, are expected to enter into a placement agreement (the “**Placement Agreement**”) on or prior to the closing date of the Singapore Public Offer in connection with the Placement.

Singapore Public Offer

The Manager, the Sponsor and the Joint Bookrunners, among others, have on 8 July 2019 entered into a Singapore offer agreement (the “**Singapore Offer Agreement**”) in connection with the Singapore Public Offer. The Singapore Public Offer is open to members of the public in Singapore.

Underwriting

Pursuant to and subject to the terms and conditions to be set forth in the Placement Agreement and the Singapore Offer Agreement, the Manager is expected to effect for the account of Prime US REIT the issue of, and the Joint Bookrunners are expected to severally (and not jointly or jointly and severally) subscribe, or procure subscribers for, at the Offering Price, 621,592,000 Units (which includes Units to be issued pursuant to the Offering and certain of the Cornerstone Units).

The number of Units each Joint Bookrunner subscribe, or procure subscribers for, will be decided at the time of signing of the Placement Agreement, and will depend on the number of Units which China International Capital Corporation (Singapore) Pte. Limited procures subscribers for, and which are allocated to such subscribers.

For illustrative purposes only, assuming that investors procured by China International Capital Corporation (Singapore) Pte. Limited are allocated in aggregate 34,090,000 Units, the following table sets out the number of Units each Joint Bookrunner would subscribe, or procure subscribers for.

Joint Bookrunners	Number of Units
DBS Bank Ltd	243,814,000
Merrill Lynch (Singapore) Pte. Ltd.	161,563,000
Maybank Kim Eng Securities Pte. Ltd.	99,875,000
Credit Suisse (Singapore) Limited	41,125,000
Oversea-Chinese Banking Corporation Limited	41,125,000
China International Capital Corporation (Singapore) Pte. Limited	34,090,000
Total	**621,592,000**

The Units will be offered at the Offering Price. The Manager will pay the Joint Bookrunners, as compensation for their services in connection with the Offering, the Underwriting, Selling and Management Commission.

The terms of the Singapore Offer Agreement and the Placement Agreement will provide for the indemnification of the Joint Bookrunners against certain liabilities by the Manager. The indemnity under the Singapore Offer Agreement contains a contribution clause which provides that where the indemnification to the Joint Bookrunners is unavailable or insufficient, the Manager shall contribute to the amount paid or payable by such Joint Bookrunner as a result of any losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Manager on the one hand and the Joint Bookrunners on the other from the offering of the Units. If, however, such allocation provided by the immediately preceding sentence is not permitted by applicable law, then the Manager shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Manager on the one hand and the Joint Bookrunners on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Manager on the one hand and the Joint Bookrunners on the other shall be deemed to be in the same proportion as the total net proceeds from the offering of the Units subscribed for or purchased under the Singapore Offer Agreement (before deducting expenses) received by the Manager bear to the total underwriting discounts and commissions received by the Joint Bookrunners with respect to the Units purchased under the Singapore Offer Agreement. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Manager on the one hand or the Joint Bookrunners on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. No Joint Bookrunner shall be required to contribute any amount in excess of the amount by which the total underwriting discount and commission received by it and distributed to the public were offered to investors exceeds the amount of any damages which such Joint Bookrunner has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. A similar contribution provision is expected to be contained in the Placement Agreement.

The obligations of the parties to the Singapore Offer Agreement is subject to certain conditions, including but not limited to (i) the Placement Agreement being entered into and the conditions precedent in the Placement Agreement being satisfied and such agreement not having been terminated and (ii) there shall not have occurred any event or circumstances which would authorise the Joint Bookrunners and Underwriters to terminate the Placement Agreement.

The obligations of the parties under the Placement Agreement is conditional upon certain conditions, including but not limited to (i) the Singapore Offer Agreement coming into force, conditions precedent in the Singapore Offer Agreement being satisfied and such agreement not having been terminated, (ii) no stop order or similar order has been issued by the MAS or any other authority in relation to the Offering and (iii) there shall not have occurred any event or circumstances which would authorise the Joint Bookrunners and Underwriters to terminate the Placement Agreement.

The Singapore Offer Agreement and the Placement Agreement may be terminated under certain circumstances, including but not limited to (a) any change or development which, individually or in the aggregate, has a material adverse effect on certain conditions of Prime US REIT, its subsidiaries or on the Properties and (b) certain force majeure and other events which, in the Joint Bookrunners and Underwriters' view (following consultation with the Manager) would be likely to prejudice materially the success of the Offering and distribution of the Units, the ability of the Joint Bookrunners and Underwriters to market the Offering and distribute the Offering Units and/or dealings in the Units in the secondary market.

The Joint Bookrunners may make sub-underwriting arrangements in respect of their obligations under the Placement Agreement and the Singapore Offer Agreement upon such terms and conditions as they deem fit.

The Units may be re-allocated between the Placement Tranche and the Singapore Public Offer at the discretion of the Joint Bookrunners (in consultation with the Manager), subject to any applicable laws.

OTHER RELATIONSHIPS

Each of the Joint Bookrunners and their associates, in the ordinary course of business, may have engaged, and may in the future engage, in commercial banking, investment banking transactions and/or other commercial transactions with the Trustee, the Manager, the Sponsor and Prime US REIT, for which they may have received or made payment of, or may in the future receive or make payment of, customary compensation.

Affiliates of Merrill Lynch (Singapore) Pte. Ltd. and Maybank Kim Eng Securities Pte. Ltd are among the lenders of the Revolving Credit Facility and the Term Loan Facilities.

Each of the Joint Bookrunners and their associates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers in the ordinary course of business, and such investment and securities activities may involve securities and instruments, including Units. The Joint Bookrunners and their associates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to their clients that they acquire, long and/or short positions in such securities and instruments.

OVER-ALLOTMENT AND STABILISATION

The Unit Lender is expected to grant the Over-Allotment Option on the date of the Placement Agreement to the Joint Bookrunners for the purchase of up to an aggregate of 46,193,000 Units at the Offering Price. The number of Units subject to the Over-Allotment Option will not be more than 13.8% of the number of Units under the Placement Tranche and the Singapore Public Offer. The Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager), in consultation with the other Joint Bookrunners, may exercise the Over-Allotment Option in full or in part, on one or more occasions, only from the Listing Date but no later than the earliest of (i) the date falling 30 days from the Listing Date; or (ii) the date when the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) has bought, on the SGX-ST, an aggregate of 46,193,000 Units, representing 13.8% of the total number of Units in the Offering, to undertake stabilising actions to purchase up to an aggregate of 46,193,000 Units representing 13.8% of the total number of Units in the Offering), at the Offering Price. In connection with the Over-Allotment Option, the Stabilising Manager and the Unit Lender are expected to enter into a unit lending agreement (the "**Unit Lending Agreement**") on the date of the Placement Agreement, pursuant to which the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) may borrow up to an aggregate of 46,193,000 Units from the Unit Lender for the purpose of facilitating settlement of the over-allotment of Units in connection with the Offering. The Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) will re-deliver to the Unit Lender such number of Units which have not been purchased pursuant to the exercise of the Over-Allotment Option.

In connection with the Offering, the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) may, in consultation with the other Joint Bookrunner and at its discretion, effect transactions which stabilise or maintain the market price of the Units at levels which might not otherwise prevail in the open market. However, there is no assurance that the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) will undertake stabilising action. Such transactions may be effected on the SGX-ST and in other jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulations, including the SFA and any regulations hereunder. However, there is no assurance that the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) will undertake stabilising action. Any profit after expenses derived, or any loss sustained as a consequence of the exercise of the Over-Allotment Option or the undertaking of any stabilising activities shall be for the account of the Joint Bookrunners.

None of the Manager, the Sponsor, the Unit Lender, the Joint Bookrunners or the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) makes any representation or prediction as to the magnitude of any effect that the transactions described above may have on the price of the Units. In addition, none of the Manager, the Sponsor, the Unit Lender, the Joint Bookrunners or the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) makes any representation that the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice (unless such notice is required by law). The Stabilising Manager will be required to make a public announcement via SGXNET in relation to the total number of Units purchased by the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager), not later than 12.00 noon on the next trading day of the SGX-ST after the transactions are effected. The Stabilising Manager will also be required to make a public announcement through the SGX-ST in relation to the cessation of stabilising action and the number of Units in respect of which the Over-Allotment Option has been exercised not later than 8.30 a.m. on the next trading day of the SGX-ST after the cessation of stabilising action.

LOCK-UP ARRANGEMENTS

KBS REIT PROPERTIES III

Subject to the exceptions described below, KBS REIT Properties III has agreed with the Joint Bookrunners that it will not during the First Lock-up Period, directly or indirectly:

(a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise dispose of or transfer, any or all of its effective interest in the KBS REIT Properties III Lock-up Units (including any securities convertible into or exercisable or exchangeable for any KBS REIT Properties III Lock-up Units or which carry rights to subscribe for or purchase any such KBS REIT Properties III Lock-up Units);

(b) enter into any swap, hedge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the KBS REIT Properties III Lock-up Units (including any securities convertible into or exercisable or exchangeable for any KBS REIT Properties III Lock-up Units or which carry rights to subscribe for or purchase any such KBS REIT Properties III Lock-up Units);

(c) enter into any transaction (including a derivative transaction) or other arrangement with a similar economic effect to the foregoing sub-paragraph (a) or (b);

(d) deposit any of its effective interest in the KBS REIT Properties III Lock-up Units (including any securities convertible into or exercisable or exchangeable for any KBS REIT Properties III Lock-up Units or which carry rights to subscribe for or purchase any such KBS REIT Properties III Lock-up Units) in any depository receipt facility;

(e) enter into a transaction which is designed or which may reasonably be expected to result in any of the above; or

(f) publicly announce any intention to do any of the above,

whether any such transaction described in sub-paragraphs (a) to (e) above is to be settled by delivery of such capital or securities, in cash or otherwise (whether or not such transaction will be completed within or after the First Lock-up Period or the Second Lock-up Period, and the same restrictions will apply in respect of its effective interest in 50.0% of the KBS REIT Properties III Lock-up Units (adjusted for any bonus issue or subdivision) during the Second Lock-up Period.

The restrictions described in the preceding paragraph do not apply to prohibit KBS REIT Properties III from being able to:

(i) create a charge over the KBS REIT Properties III Lock-up Units or otherwise grant of security over or creation of any encumbrance over the KBS REIT Properties III Lock-up Units, provided that such charge, security or encumbrance (i) cannot be enforced over any KBS REIT Properties III Lock-up Units during the First Lock-up Period, and (ii) can only be enforced with respect to 50.0% of the effective interest in the KBS REIT Properties III Lock-up Units during the Second Lock-up Period. The charge, security or encumbrance will only be created if the charge (such as a bank or financial institution) agrees that the charge, security or encumbrance over the KBS REIT Properties III Lock-up Units cannot be enforced over 100.0% of the KBS REIT Properties III Lock-up Unit during the First Lock-up Period and can only be enforced in relation to 50.0% of the effective interest in the KBS REIT Properties III Lock-up Units during the Second Lock-up Period;

(ii) enter into the Unit Lending Agreement with the Joint Bookrunners or any sale or transfer of the KBS REIT Properties III Lock-up Units by KBS REIT Properties III pursuant to the exercise of the Over-Allotment Option; and

(iii) transfer the KBS REIT Properties III Lock-up Units to and between KBS REIT Properties III or any direct and indirect wholly-owned subsidiaries of KBS REIT Properties III, provided that KBS REIT Properties III shall, during the First Lock-up Period, maintain a direct or indirect interest in 100.0% of the KBS REIT Properties III Lock-up Units and, during the Second Lock-up Period, maintain a direct or indirect interest in 50.0% of the KBS REIT Properties III Lock-up Units and KBS REIT Properties III has procured that such transferee subsidiaries have executed and delivered to the Joint Bookrunners undertakings to the effect that such transferee subsidiaries will comply with such restrictions so as to enable KBS REIT Properties III to comply with the foregoing restrictions for the unexpired period of the First Lock-up Period and the Second Lock-up Period.

If, for any reason, the Listing Date does not take place within six months of the date of this Prospectus, the lock-up arrangements described above will be terminated. For the avoidance of doubt, any Units returned to KBS REIT Properties III pursuant to the Unit Lending Agreement shall be subject to the lock-up arrangements described above.

KBS REIT Holdings III

Subject to the exceptions described below, KBS REIT Holdings III has agreed with the Joint Bookrunners that it will not during the First Lock-up Period, directly or indirectly:

(a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise dispose of or transfer, any or all of its effective interest in the KBS REIT Properties III Lock-up Units (including any securities convertible into or exercisable or exchangeable for any KBS REIT Properties III Lock-up Units or which carry rights to subscribe for or purchase any such KBS REIT Properties III Lock-up Units);

(b) enter into any swap, hedge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the KBS REIT Properties III Lock-up Units (including any securities convertible into or exercisable or exchangeable for any KBS REIT Properties III Lock-up Units or which carry rights to subscribe for or purchase any such KBS REIT Properties III Lock-up Units);

(c) enter into any transaction (including a derivative transaction) or other arrangement with a similar economic effect to the foregoing sub-paragraph (a) or (b);

(d) deposit any of its effective interest in the KBS REIT Properties III Lock-up Units (including any securities convertible into or exercisable or exchangeable for any KBS REIT Properties III Lock-up Units or which carry rights to subscribe for or purchase any such KBS REIT Properties III Lock-up Units) in any depository receipt facility;

(e) enter into a transaction which is designed or which may reasonably be expected to result in any of the above; or

(f) publicly announce any intention to do any of the above,

whether any such transaction described in sub-paragraphs (a) to (e) above is to be settled by delivery of such capital or securities, in cash or otherwise (whether or not such transaction will be completed within or after the First Lock-up Period or the Second Lock-up Period, and the same restrictions will apply in respect of its effective interest in 50.0% of the KBS REIT Properties III Lock-up Units (adjusted for any bonus issue or subdivision) during the Second Lock-up Period.

The restrictions described in the preceding paragraph do not apply to prohibit:

(i) KBS REIT Holdings III from being able to create a charge over the KBS REIT Properties III Lock-up Units or otherwise grant of security over or creation of any encumbrance over the KBS REIT Properties III Lock-up Units, provided that such charge, security or encumbrance (i) cannot be enforced over any KBS REIT Properties III Lock-up Units during the First Lock-up Period, and (ii) can only be enforced with respect to 50.0% of the effective interest in the KBS REIT Properties III Lock-up Units during the Second Lock-up Period. The charge, security or encumbrance will only be created if the charge (such as a bank or financial institution) agrees that the charge, security or encumbrance over the KBS REIT Properties III Lock-up Units cannot be enforced over 100.0% of the KBS REIT Properties III Lock-up Unit during the First Lock-up Period and can only be enforced in relation to 50.0% of the effective interest in the KBS REIT Properties III Lock-up Units during the Second Lock-up Period;

(ii) KBS REIT Properties III from entering into the Unit Lending Agreement with the Joint Bookrunners or any sale or transfer of the KBS REIT Properties III Lock-up Units by KBS REIT Properties III pursuant to the exercise of the Over-Allotment Option; and

(iii) KBS REIT Holdings III from being able to transfer the KBS REIT Properties III Lock-up Units to and between any direct and indirect wholly-owned subsidiaries of KBS Limited Partnership III, provided that KBS Limited Partnership III shall, during the First Lock-up Period, maintain a direct or indirect interest in 100.0% of the KBS REIT Properties III Lock-up Units and, during the Second Lock-up Period, maintain a direct or indirect interest in 50.0% of the KBS REIT Properties III Lock-up Units and KBS REIT Holdings III has procured that such transferee subsidiaries have executed and delivered to the Joint Bookrunners undertakings to the effect that such transferee subsidiaries will comply with such restrictions so as to enable KBS REIT Holdings III to comply with the foregoing restrictions for the unexpired period of the First Lock-up Period and the Second Lock-up Period.

If, for any reason, the Listing Date does not take place within six months of the date of this Prospectus, the lock-up arrangements described above will be terminated. For the avoidance of doubt, any Units returned to KBS REIT Properties III pursuant to the Unit Lending Agreement shall be subject to the lock-up arrangements described above.

KBS LP III

Subject to the exceptions described below, KBS LP III has agreed with the Joint Bookrunners that it will not during the First Lock-up Period, directly or indirectly:

(a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise dispose of or transfer, any or all of its effective interest in the KBS REIT Properties III Lock-up Units (including any securities convertible into or exercisable or exchangeable for any KBS REIT Properties III Lock-up Units or which carry rights to subscribe for or purchase any such KBS REIT Properties III Lock-up Units);

(b) enter into any swap, hedge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the KBS REIT Properties III Lock-up Units (including any securities convertible into or exercisable or exchangeable for any KBS REIT Properties III Lock-up Units or which carry rights to subscribe for or purchase any such KBS REIT Properties III Lock-up Units);

(c) enter into any transaction (including a derivative transaction) or other arrangement with a similar economic effect to the foregoing sub-paragraph (a) or (b);

(d) deposit any of its effective interest in the KBS REIT Properties III Lock-up Units (including any securities convertible into or exercisable or exchangeable for any KBS

REIT Properties III Lock-up Units or which carry rights to subscribe for or purchase any such KBS REIT Properties III Lock-up Units) in any depository receipt facility;

(e) enter into a transaction which is designed or which may reasonably be expected to result in any of the above; or

(f) publicly announce any intention to do any of the above,

whether any such transaction described in sub-paragraphs (a) to (e) above is to be settled by delivery of such capital or securities, in cash or otherwise (whether or not such transaction will be completed within or after the First Lock-up Period or the Second Lock-up Period, and the same restrictions will apply in respect of its effective interest in 50.0% of the KBS REIT Properties III Lock-up Units (adjusted for any bonus issue or subdivision) during the Second Lock-up Period.

The restrictions described in the preceding paragraph do not apply to prohibit:

(i) KBS LP III from being able to create a charge over the KBS REIT Properties III Lock-up Units or otherwise grant of security over or creation of any encumbrance over the KBS REIT Properties III Lock-up Units, provided that such charge, security or encumbrance (i) cannot be enforced over any KBS REIT Properties III Lock-up Units during the First Lock-up Period, and (ii) can only be enforced with respect to 50.0% of the effective interest in the KBS REIT Properties III Lock-up Units during the Second Lock-up Period. The charge, security or encumbrance will only be created if the charge (such as a bank or financial institution) agrees that the charge, security or encumbrance over the KBS REIT Properties III Lock- up Units cannot be enforced over 100.0% of the KBS REIT Properties III Lock-up Unit during the First Lock-up Period and can only be enforced in relation to 50.0% of the effective interest in the KBS REIT Properties III Lock-up Units during the Second Lock-up Period;

(ii) KBS REIT Properties III from entering into the Unit Lending Agreement with the Joint Bookrunners or any sale or transfer of the KBS REIT Properties III Lock-up Units by KBS REIT Properties III pursuant to the exercise of the Over-Allotment Option; and

(iii) KBS LP III from being able to transfer the KBS REIT Properties III Lock-up Units to and between any direct and indirect wholly-owned subsidiaries of KBS LP III, provided that KBS LP III shall, during the First Lock-up Period, maintain a direct or indirect interest in 100.0% of the KBS REIT Properties III Lock-up Units and, during the Second Lock-up Period, maintain a direct or indirect interest in 50.0% of the KBS REIT Properties III Lock-up Units and KBS LP III has procured that such transferee subsidiaries have executed and delivered to the Joint Bookrunners undertakings to the effect that such transferee subsidiaries will comply with such restrictions so as to enable KBS LP III to comply with the foregoing restrictions for the unexpired period of the First Lock-up Period and the Second Lock-up Period.

If, for any reason, the Listing Date does not take place within six months of the date of this Prospectus, the lock-up arrangements described above will be terminated. For the avoidance of doubt, any Units returned to KBS REIT Properties III pursuant to the Unit Lending Agreement shall be subject to the lock-up arrangements described above.

KBS REIT III

Subject to the exceptions described below, KBS REIT III has agreed with the Joint Bookrunners that it will not during the First Lock-up Period, directly or indirectly:

(a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise dispose of or transfer, any or all of its effective interest in the KBS REIT Properties III Lock-up Units (including any securities convertible into or exercisable or exchangeable for any KBS REIT Properties III Lock-up Units or which carry rights to subscribe for or purchase any such KBS REIT Properties III Lock-up Units);

(b) enter into any swap, hedge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the KBS REIT Properties III Lock-up Units (including any securities convertible into or exercisable or exchangeable for any KBS REIT Properties III Lock-up Units or which carry rights to subscribe for or purchase any such KBS REIT Properties III Lock-up Units);

(c) enter into any transaction (including a derivative transaction) or other arrangement with a similar economic effect to the foregoing sub-paragraph (a) or (b);

(d) deposit any of its effective interest in the KBS REIT Properties III Lock-up Units (including any securities convertible into or exercisable or exchangeable for any KBS REIT Properties III Lock-up Units or which carry rights to subscribe for or purchase any such KBS REIT Properties III Lock-up Units) in any depository receipt facility;

(e) enter into a transaction which is designed or which may reasonably be expected to result in any of the above; or

(f) publicly announce any intention to do any of the above,

whether any such transaction described in sub-paragraphs (a) to (e) above is to be settled by delivery of such capital or securities, in cash or otherwise (whether or not such transaction will be completed within or after the First Lock-up Period or the Second Lock-up Period, and the same restrictions will apply in respect of its effective interest in 50.0% of the KBS REIT Properties III Lock-up Units (adjusted for any bonus issue or subdivision) during the Second Lock-up Period.

The restrictions described in the preceding paragraph do not apply to prohibit:

(i) KBS REIT III from being able to create a charge over the KBS REIT Properties III Lock-up Units or otherwise grant of security over or creation of any encumbrance over the KBS REIT Properties III Lock-up Units, provided that such charge, security or encumbrance (i) cannot be enforced over any KBS REIT Properties III Lock-up Units during the First Lock-up Period, and (ii) can only be enforced with respect to 50.0% of the effective interest in the KBS REIT Properties III Lock-up Units during the Second Lock-up Period. The charge, security or encumbrance will only be created if the charge (such as a bank or financial institution) agrees that the charge, security or encumbrance over the KBS REIT Properties III Lock-up Units cannot be enforced over 100.0% of the KBS REIT Properties III Lock-up Unit during the First Lock-up Period and can only be enforced in relation to 50.0% of the effective interest in the KBS REIT Properties III Lock-up Units during the Second Lock-up Period;

(ii) KBS REIT Properties III from entering into the Unit Lending Agreement with the Joint Bookrunners or any sale or transfer of the KBS REIT Properties III Lock-up Units by KBS REIT Properties III pursuant to the exercise of the Over-Allotment Option; and

(iii) KBS REIT III from being able to transfer the KBS REIT Properties III Lock-up Units to and between any direct and indirect wholly-owned subsidiaries of KBS REIT III, provided that KBS REIT III shall, during the First Lock-up Period, maintain a direct or indirect interest in 100.0% of the KBS REIT III Lock-up Units and, during the Second Lock-up

Period, maintain a direct or indirect interest in 50.0% of the KBS REIT Properties III Lock-up Units and KBS REIT III has procured that such transferee subsidiaries have executed and delivered to the Joint Bookrunners undertakings to the effect that such transferee subsidiaries will comply with such restrictions so as to enable KBS REIT III to comply with the foregoing restrictions for the unexpired period of the First Lock-up Period and the Second Lock-up Period.

If, for any reason, the Listing Date does not take place within six months of the date of this Prospectus, the lock-up arrangements described above will be terminated. For the avoidance of doubt, any Units returned to KBS REIT Properties III pursuant to the Unit Lending Agreement shall be subject to the lock-up arrangements described above.

The Manager

Subject to the exceptions described below, the Manager has agreed with the Joint Bookrunners that it will not during the First Lock-up Period, directly or indirectly:

(a) allot, offer, pledge, issue, sell, contract to issue or sell, sell any option or contract to subscribe or purchase, purchase any option or contract to issue or sell, grant any option, right or warrant to subscribe, purchase, lend, hypothecate, grant security over, encumber or otherwise dispose of any Units (or any securities convertible into or exercisable or exchangeable for any Units or which carry rights to subscribe for or purchase any Units);

(b) enter into any swap, hedge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Units or any other securities of Prime US REIT or any of its subsidiaries or any interest in any of the foregoing (including any securities convertible into or exercisable or exchangeable, or which carry rights to subscribe or purchase Units or any other securities of the Prime US REIT or any of its subsidiaries);

(c) enter into any transaction (including a derivative transaction) or other arrangement with a similar economic effect to the foregoing sub-paragraph (a) or (b);

(d) deposit any Units (including any securities convertible into or exercisable or exchangeable for any Units or which carry rights to subscribe for or purchase any Units) in any depository receipt facility;

(e) enter into a transaction which is designed or which may reasonably be expected to result in any of the above; or

(f) publicly announce any intention to do any of the above.

whether any such transaction described in sub-paragraphs (a) to (e) above is to be settled by delivery of such capital or securities, in cash or otherwise (whether or not such transaction will be completed within or after the First Lock-up Period.

The restrictions described in the preceding paragraphs do not apply to the issuance of (i) the Offering Units, (ii) the Lock-up Units, (iii) the Cornerstone Units, and (iv) Units to the Manager in payment of any fees payable to the Manager under the Trust Deed.

If, for any reason, the Listing Date does not take place within six months of the date of this Prospectus, the lock-up arrangements described above will be terminated.

DBS Bank Ltd.

DBS Bank Ltd. has agreed with the Manager that, subject to the exceptions set out below, it will not without the prior consent of the Manager (such consent not to be unreasonably withheld), during the First Lock-up Period, directly or indirectly:

(a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise dispose of or transfer, any or all of its effective interest in the DBS Cornerstone Units (as defined herein) (including any interests or securities convertible into or exercisable or exchangeable for any DBS Cornerstone Units or which carry rights to subscribe for or purchase any such DBS Cornerstone Units);

(b) enter into any swap, hedge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the DBS Cornerstone Units (including any securities convertible into or exercisable or exchangeable for any DBS Cornerstone Units or which carry rights to subscribe for or purchase any such DBS Cornerstone Units);

(c) enter into any transaction (including a derivative transaction) or other arrangement with a similar economic effect to the foregoing sub-paragraph (a) or (b);

(d) deposit any of its effective interest in the DBS Cornerstone Units (including any securities convertible into or exercisable or exchangeable for any DBS Cornerstone Units or which carry rights to subscribe for or purchase any such DBS Cornerstone Units) in any depository receipt facility;

(e) enter into a transaction which is designed or which may reasonably be expected to result in any of the above; or

(f) publicly announce any intention to do any of the above, whether any such transaction described in sub-paragraphs (a) to (e) above is to be settled by delivery of such capital or securities, in cash or otherwise (whether or not such transaction will be completed within or after the First Lock-up Period).

The restrictions described in the preceding paragraph do not apply to prohibit DBS Bank Ltd. From being able to:

(i) create a charge over the DBS Cornerstone Units or otherwise grant of security over or creation of any encumbrance over the DBS Cornerstone Units, provided that such charge, security or encumbrance cannot be enforced over any DBS Cornerstone Units during the First Lock-up Period. The charge, security or encumbrance will only be created if the charge (such as a bank or financial institution) agrees that the charge, security or encumbrance over the DBS Cornerstone Units cannot be enforced over 100.0% of the DBS Cornerstone Units during the First Lock-up Period; and

(ii) transfer the DBS Cornerstone Units to and between wholly-owned subsidiaries of DBS Bank Ltd., provided that DBS Bank Ltd. has procured that such subsidiaries have executed and delivered to the Manager an undertaking to the effect that such subsidiaries will comply with such restrictions for the unexpired period of the First Lock-up Period.

The lock-up arrangements described above will be terminated in the event that the subscription agreement in respect of DBS Bank Ltd.'s investment as a Cornerstone Investor is terminated.

SGX-ST LISTING

Prime US REIT has received a letter of eligibility from the SGX-ST for the listing and quotation of the Units on the Main Board of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any statements or opinions made or reports contained in this Prospectus. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Offering, Prime US REIT, the Manager or the Units. It is expected that the Units will commence trading on the SGX-ST on a "ready" basis on or about 19 July 2019.

Prior to this Offering, there has been no trading market for the Units. There can be no assurance that an active trading market will develop for the Units, or that the Units will trade in the public market subsequent to this Offering at or above the Offering Price. (See "Risk Factors – Risks Relating to an Investment in the Units – The Units have never been publicly traded and the listing of the Units on the Main Board of the SGX-ST may not result in an active or liquid market for the Units" for further details.)

ISSUE EXPENSES

The estimated amount of the expenses in relation to the Offering and the issuance of Cornerstone Units includes the Underwriting, Selling and Management Commission, professional and other fees and all other incidental expenses in relation to the Offering and the issuance of the Cornerstone Units, which will be borne by Prime US REIT. A breakdown of these estimated expenses is as follows:

	(US$'000)
Professional and other fees[(1)]	11,193
Underwriting, Selling and Management Commission	15,484
Miscellaneous Offering expenses[(2)]	2,972
Total issue expenses (assuming that the Over-Allotment Option is exercised in full)	**29,649**

Notes:

(1) Includes lawyers' fees, Financial Advisor's fee and fees for the Reporting Auditor, the Independent Tax Advisers (as defined herein), the Independent Valuers and other professionals' fees and other expenses.

(2) Includes cost of prospectus production, road show expenses and certain other expenses incurred or to be incurred in connection with the Offering.

DISTRIBUTION AND SELLING RESTRICTIONS

None of the Manager, the Sponsor or the Joint Bookrunners have taken any action, or will take any action, in any jurisdiction other than Singapore that would permit a public offering of Units, or the possession, circulation or distribution of this Prospectus or any other material relating to the Offering in any jurisdiction other than Singapore where action for that purpose is required.

Accordingly, each purchaser of the Units may not offer or sell, directly or indirectly, any Units and may not distribute or publish this Prospectus or any other offering material or advertisements in connection with the Units in or from any country or jurisdiction except in compliance with any applicable rules and regulations of such country or jurisdiction.

Each purchaser of the Units is deemed to have represented and agreed that it will comply with the selling restrictions set out below for each of the following jurisdictions:

Selling Restrictions

Australia

No placement document, prospectus, product disclosure statement or other disclosure document (including as defined in the Corporations Act 2001 (Cth) ("**Corporations Act**")) has been or will be lodged with the Australian Securities and Investments Commission ("**ASIC**") or any other governmental agency, in relation to the offering. This Prospectus does not constitute a prospectus, product disclosure statement or other disclosure document for the purposes of Corporations Act, and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act. No action has been taken which would permit an offering of the Units in circumstances that would require disclosure under Parts 6D.2 or 7.9 of the Corporations Act.

The provision of this Prospectus to any person in Australia does not constitute an offer of the Units to that person or an invitation to that person to apply for the issue of any Units unless the recipient is a person to whom an offer of such Units may be made in Australia without the need for a disclosure statement under Chapter 6D or a product disclosure statement under Part 7.9 of the Corporations Act pursuant to the exemptions for offers to certain investors. This Prospectus is not intended to be distributed or passed on, directly or indirectly, to any other class of persons in Australia and is not, and under no circumstances is to be construed as, an advertisement or a public offering of the Units in Australia.

The Units may not be offered for sale, nor may application for the sale or purchase or any Units be invited in Australia (including an offer or invitation which is received by a person in Australia) and neither this Prospectus nor any other offering material or advertisement relating to the Units may be distributed or published in Australia unless, in each case:

(a) the aggregate consideration payable on acceptance of the offer or invitation by each offeree or invitee is at least A$500,000 (or its equivalent in another currency, in either case, disregarding moneys lent by the person offering the Units or making the invitation or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or 7.9 of the Corporations Act;

(b) the offer, invitation or distribution complied with the conditions of the Australian financial services license of the person making the offer, invitation or distribution or an applicable exemption from the requirement to hold such license;

(c) the offer, invitation or distribution complies with all applicable Australian laws, regulations and directives (including, without limitation, the licensing requirements set out in Chapter 7 of the Corporations Act);

(d) the offer or invitation does not constitute an offer or invitation to a person in Australia who is a "retail client" as defined for the purposes of Section 761G of the Corporations Act; and

(e) such action does not require any document to be lodged with ASIC or the Australian Securities Exchange.

The Prospectus has not been prepared specifically for Australian investors and investors are urged to consult their legal advisors with respect to the specific U.S. and Australian securities and tax laws applicable to the Units prior to investing in the Units. It:

- may contain references to dollar amounts which are not Australian dollars;
- may contain financial information which is not prepared in accordance with Australian law or practices;
- may not address risks associated with investment in foreign currency denominated investments; and
- does not address Australian tax issues and risks.

To the extent that any financial service is provided in Australia by the Joint Bookrunners and Underwriters, those services are provided on the basis that they are provided only to “wholesale clients”, as defined in the Corporations Act.

The Joint Bookrunners and Underwriters are not in possession of an Australian Financial Services Licence.”

Canada

The offer and sale of the Units in Canada will only be made under exemptions from the requirement to file a prospectus in the relevant province or territory and will be made only by a dealer duly registered under the applicable securities laws of the relevant province or in accordance with an exemption from the applicable registered dealer requirements.

The Units may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Units must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

Upon receipt of the Prospectus, each Canadian purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the securities described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque acheteur canadien confirme par les présentes qu’il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d’achat ou tout avis) soient rédigés en anglais seulement.

Hong Kong

Prime US REIT has not been authorised as collective investment scheme by Hong Kong's Securities and Futures Commission ("**SFC**") pursuant to section 104 of Hong Kong's Securities and Futures Ordinance ("**SFO**"), nor has this Prospectus been approved by the SFC pursuant to section 105(1) of SFO. Accordingly: (i) the Units may not be offered or sold in Hong Kong by means of any document other than to persons who are "professional investors" within the meaning of the SFO and the Securities and Futures (Professional Investor) Rules made thereunder or as otherwise permitted under the SFO; and (ii) no person may issue, circulate or distribute, or have in its possession for the purposes of issue, circulation or distribution, whether in Hong Kong or elsewhere, any invitation, advertisement or other document relating to the Units, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Units which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the SFO and the Securities and Futures (Professional Investor) Rules made thereunder.

WARNING: The content of this Prospectus has not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any content of this Prospectus, you should obtain independent professional advice.

Israel

This Prospectus and all related documents (jointly, this "**Document**") may not be reproduced or used for any other purpose, nor shall it be furnished to any person other than those to whom copies have been sent directly by the Manager and its authorised representatives. Any offeree who purchases the Units is purchasing such Units for its own benefit and on its own account and not with the aim or intention of distributing or offering such Units to other parties.

No action has been or will be taken in Israel that would permit an offering of the Units to the public in Israel. This Document does not constitute, and under no circumstances is it to be construed as, a "prospectus" within the meaning of the Israeli Securities Law, 1968, and it has not been reviewed or approved by the Israeli Securities Authority or by the Tel Aviv Stock Exchange Ltd. A prospectus has not been prepared or filed, and will not be prepared or filed with the Israeli Securities Authority in connection with this Document. Any person who purchases the Units is doing so for its own behalf, benefit and account and not with the aim or intention of distributing, selling, or offering such Units to other parties.

Nothing in this Document and any related documents shall be considered as rendering Investment Advice, Investment Marketing or an offer to render Investment Advice or Investment Marketing Services, as such terms are defined under the Israeli Regulation of Investment Advice, Investment Marketing and Portfolio Management Law, 5755-1995. the Manager or any of its authorised representatives are not licensed under the Israeli Investment Advice Law to render Investment Advice or Investment Marketing services nor does it obtain an insurance covering such activities.

Korea

The Units have not been and will not be registered under the financial investment services and capital markets act of Korea. The Units may not be offered, sold or delivered, directly or indirectly, in Korea or to, or for the account or benefit of, any resident (as defined under the Foreign Exchange Transaction Act of Korea and the rules and regulations promulgated thereunder) thereof, or to any person for reoffering or resale, directly or indirectly, in Korea or to, or for the account of or benefit of, any resident (as defined under the Foreign Exchange Transaction Act of Korea and the rules and regulations promulgated thereunder) thereof, except as otherwise permitted under applicable Korean laws and regulations.

Malaysia

No recognition from the Securities Commission of Malaysia has been applied for or will be obtained for the offer of Units ("**Offering**") under the Capital Markets and Services Act 2007. Neither has a prospectus been or will be registered with the Securities Commission of Malaysia in connection with such Offering. Accordingly, this Prospectus or any amendment or supplement hereto or any other offering document relating to this Offering must not be distributed in Malaysia, directly or indirectly, for the purpose of any offer of any Units and no person may offer or make available any of the Units, directly or indirectly, to anyone in Malaysia. By reason of the foregoing, whether or not you invest in this Offering, if you are in Malaysia, you may not distribute this document to anyone other than your own financial and legal advisors, nor may you make copies of this or any other document you receive, except to the extent necessary to consult with your financial and legal advisors who are advising you in connection with this potential investment (and only so long as such advisors agree to hold this information confidential and not use it for purposes other than advising you in connection herewith). Any other reproduction or distribution of this document in Malaysia, in whole or in part, or the disclosure of its contents in Malaysia, without Prime US REIT's prior written consent, is prohibited.

Oman

The information contained in this Prospectus does not constitute a public offer of Units in the Sultanate of Oman as contemplated by the Commercial Companies Law of Oman (Royal Decree 4/74) or the Capital Market Law of Oman (Royal Decree 80/98). Due to legal restrictions, imposed by the Executive Regulations of the Capital Market Law issued by the Capital Market Authority of the Sultanate of Oman (the "**CMA**"), this Prospectus is only available to individuals and corporate entities that fall within the description of "sophisticated investors" in Article 139 of the Executive Regulations to the Capital Market Law. The CMA is not liable for the correctness or adequacy of information provided in this Prospectus or for identifying whether or not the security being offered pursuant to this Prospectus is an appropriate investment for a potential investor. The CMA shall also not be liable for any damage or loss resulting from reliance placed on the Prospectus. The investor represents that he/ she is a sophisticated investor as described in Article 139 of the Executive Regulations to the Capital Markets Law and has such experience in business and financial matters that he/ she is capable of evaluating the merits and risks of an investment in Units.

The information contained in this Prospectus neither constitutes a public offer of Units in the Sultanate of Oman as contemplated by the Commercial Companies Law of Oman (Royal Decree 4/74) or the Capital Market Law of Oman (Royal Decree 80/98), nor does it constitute an offer to sell, or the solicitation of any offer to buy Non-Omani securities in the Sultanate of Oman as contemplated by Article 139 of the Executive Regulations to the Capital Market Law (issued by Decision No.1/2009). Additionally, this Prospectus is not intended to lead to the conclusion of any contract of whatsoever nature within the territory of the Sultanate of Oman.

Saudi Arabia

This Prospectus may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority of the Kingdom of Saudi Arabia.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this Prospectus, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Prospectus. Prospective purchasers of the Units offered hereby should conduct their own due diligence on the accuracy of the information relating to the Units. If you do not understand the contents of this Prospectus, you should consult an authorised financial advisor.

Switzerland

This Prospectus may only be freely circulated and Units may only be freely offered, distributed or sold to regulated financial intermediaries such as banks, securities dealers, fund management companies, asset managers of collective investment schemes and central banks as well as to regulated insurance companies.

Circulating this Prospectus and offering, distributing or selling Units to other persons or entities including qualified investors as defined in the Federal Act on Collective Investment Schemes ("**CISA**") and its implementing Ordinance ("**CISO**") may trigger, in particular, (i) licensing/prudential supervision requirements for the distributor and/or Prime US REIT, (ii) a requirement to appoint a representative and paying agent in Switzerland and (iii) the necessity of a written distribution agreement between the representative in Switzerland and the distributor. Accordingly, legal advice should be sought before providing this Prospectus to and offering, distributing or selling/on-selling Units to any other persons or entities.

This Prospectus does not constitute an issuance prospectus pursuant to Articles 652a or 1156 of the Swiss Code of Obligations and may not comply with the information standards required thereunder. The Units will not be listed on the SIX Swiss Exchange nor on any other stock exchange or regulated trading venue in Switzerland, and consequently, the information presented in this document does not necessarily comply with the information and disclosure standards set out in the relevant listing rules. The documentation of Prime US REIT has not been and will not be filed and approved, and may not be able to be approved, by the Swiss Financial Market Supervisory Authority FINMA ("**FINMA**") under the Swiss Collective Investment Schemes Act (**CISA**). Therefore, investors do not benefit from protection under the CISA or supervision by FINMA. This Prospectus does not constitute investment advice. It may only be used by those persons to whom it has been handed out in connection with the Units and may neither be copied nor directly or indirectly distributed or made available to other persons.

If you (or any person for whom you are acquiring the Units) are in Switzerland, you (and any such person) represent and warrant that you are (i) a regulated financial intermediary such as a bank, securities dealer, fund management company, asset manager of collective investment schemes or a central bank, or (ii) a regulated insurance institution.

Thailand

The Units have not been and will not be registered with or approved by the Office of the Securities and Exchange Commission of Thailand. The Units would not be, directly or indirectly, offered or sold to any person within Thailand except pursuant to applicable laws and regulations of Thailand. Neither this prospectus nor any other documents or materials in connection with the Units may be circulated or distributed or caused to be circulated or distributed, whether directly or indirectly, to any persons in Thailand, except under circumstances that will result in compliance with applicable laws and regulations of Thailand.

United Arab Emirates

*Dubai International Financial Centre ("**DIFC**")*

In the Dubai International Financial Centre, this Prospectus may only be provided to Professional Clients, as defined in the Dubai Financial Services Authority (the DFSA) Rulebook (Conduct of Business Module), who are not natural persons.

This Prospectus relates to a REIT which is not subject to any form of regulation or approval by the DFSA. The DFSA has no responsibility for reviewing or verifying any Prospectus or other documents in connection with this REIT. Accordingly, the DFSA has not approved this Prospectus or any other associated documents nor taken any steps to verify the information set out in this Prospectus, and has no responsibility for it.

The Units to which this Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence on the Units. If you do not understand the contents of this document you should consult an authorised financial adviser.

United Arab Emirates (excluding DIFC)

In the United Arab Emirates (the "**UAE**") (outside of the financial free zones established pursuant to UAE Federal Law No. 8 of 2004 (the "**Financial Free Zones**")), the Units are not subject to regulation, under the laws or regulations of the UAE relating to the issue, offering and sale of securities, and will not be admitted to trading on an exchange in the UAE.

This Prospectus does not constitute or contain an offer of shares to the general public in the UAE and neither the Units nor this Prospectus have been approved by the Securities and Commodities Authority of the UAE (the "**SCA**"), the Central Bank of the UAE or any other regulatory authority in the UAE. In particular, this Prospectus has not been approved pursuant to Board Resolution No. 11 of 2016 on the Regulation of the Offering and Issuance of Stocks of Public Joint Stock Companies issued by the SCA (the Offer of Securities Regulation) and the SCA has no responsibility for it.

Accordingly, this Prospectus is not intended for circulation or distribution in or into the UAE (outside of the Financial Free Zones), other than to persons in the UAE to whom such circulation or distribution is permitted by, or is exempt from the requirements of, the Offer of Securities Regulation, the SCA's Board of Directors Decision No. 3 of 2017 Concerning the Organisation of Promotion and Introduction, and other applicable UAE laws and regulations.

United Kingdom

Prime US REIT is an unregulated collective investment scheme for the purposes of the Financial Services and Markets Act 2000 (as amended) ("**FSMA**") which has not been authorised or recognised by the United Kingdom Financial Conduct Authority. The promotion of the Units and distribution of this document in the United Kingdom is accordingly restricted by law.

Where the person distributing this document is:

(i) a person authorised under FSMA to carry on business in the United Kingdom, this document is being communicated only to:

  (a) persons outside the United Kingdom;

  (b) firms that are authorised under FSMA and certain other persons who are investment professionals falling within Article 14 of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (as amended) (the "**CIS Promotion Order**");

  (c) high net worth companies, unincorporated associations and other bodies within the categories described in Article 22 of the CIS Promotion Order;

(d) the directors, officers and employees ("**A**") of any person falling within (i)(b)-(c) above ("**B**"), where this communication is made to A in that capacity and where the responsibilities of A, when acting in that capacity, involve A in B's participation in unregulated schemes; or

(e) persons to whom it may otherwise lawfully be communicated; and

(ii) a person not authorised under FSMA, this document is being issued in the United Kingdom only to:

(a) persons outside the United Kingdom;

(b) firms that are authorised under FSMA or certain other persons who are "investment professionals" falling within Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "**FPO"**) and the directors, officers and employees ("**A**") of any such firms and persons ("**B**"), where this communication is made to A in that capacity and where A's responsibilities, when acting in that capacity, involve A in the carrying on B of controlled activities (as defined in the FPO);

(c) high net worth companies, unincorporated associations and other bodies falling within the categories described in Article 49 of the FPO and the directors, officers and employees ("**A**") of any such high net worth companies, unincorporated associations and other bodies ("**B**"), where this communication is made to A in that capacity and where A's responsibilities, when acting in that capacity, involve A in B's engaging in investment activity;

(d) certified sophisticated investors falling within Article 50 of the FPO; or

(e) persons to whom it may otherwise lawfully be communicated,

(the persons described in (i) or (ii) as relevant, together "**Relevant Persons"**).

This document and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom. Any person in the United Kingdom that is not a Relevant Person should not act or rely on this document or any of its contents.

This document does not constitute an offer document or an offer of transferable securities in the United Kingdom to which section 85 of FSMA applies and should not be considered as a recommendation that any person should subscribe for or purchase any of the Units. The Units will not be offered or sold to any person in the United Kingdom except in circumstances which have not resulted and will not result in an offer to the public in contravention of section 85(1) of FSMA. This document has been prepared on the basis that all offers of the Units (if any) will be made subject to an exemption under section 86 of FSMA.

The Units are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA"**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of article 4(1) of Directive 2014/65/EU ("**MiFID**"); or (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MiFID; or (iii) not a qualified investor as defined in the Directive 2003/71/EC. Consequently, no Key Information Document required by Regulation (EU) No 1286/2014, as amended (the "**PRIIPS**

Regulation") for offering or selling the Units or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Units or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

General

Each applicant for Units in the Offering will be deemed to have represented and agreed that it is relying on this Prospectus and not on any other information or representation not contained in this Prospectus and none of Prime US REIT, the Manager, the Trustee, the Sponsor, the Sole Financial Adviser and Issue Manager, the Joint Bookrunners or any other person responsible for this Prospectus or any part of it will have any liability for any such other information or representation.

CLEARANCE AND SETTLEMENT

INTRODUCTION

A letter of eligibility has been obtained from the SGX-ST for the listing and quotation of the Units. For the purpose of trading on the SGX-ST, a board lot for the Units will comprise 100 Units.

Upon listing and quotation on the SGX-ST, the Units will be traded under the electronic book-entry clearance and settlement system of CDP. All dealings in and transactions of the Units through the SGX-ST will be effected in accordance with the terms and conditions for the operation of Securities Accounts, as amended from time to time.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its account-holders and facilitates the clearance and settlement of securities transactions between account-holders through electronic book-entry changes in the Securities Accounts maintained by such accountholders with CDP.

It is expected that the Units will be credited into the Securities Accounts of applicants for the Units within four Market Days after the closing date for applications for the Units.

CLEARANCE AND SETTLEMENT UNDER THE DEPOSITORY SYSTEM

The Units will be registered in the name of CDP or its nominee and held by CDP for and on behalf of persons who maintain, either directly or through depository agents, Securities Accounts with CDP. Persons named as direct Securities Account holders and depository agents in the depository register maintained by CDP will be treated as Unitholders in respect of the number of Units credited to their respective Securities Accounts.

Transactions in the Units under the book-entry settlement system will be reflected by the seller's Securities Account being debited with the number of Units sold and the buyer's Securities Account being credited with the number of Units acquired and no transfer stamp duty is currently payable for the transfer of Units that are settled on a book-entry basis.

Units credited to a Securities Account may be traded on the SGX-ST on the basis of a price between a willing buyer and a willing seller. Units credited into a Securities Account may be transferred to any other Securities Account with CDP, subject to the terms and conditions for the operation of Securities Accounts and a S$10.00 transfer fee payable to CDP. All persons trading in the Units through the SGX-ST should ensure that the relevant Units have been credited into their Securities Account, prior to trading in such Units, since no assurance can be given that the Units can be credited into the Securities Account in time for settlement following a dealing. If the Units have not been credited into the Securities Account by the due date for the settlement of the trade, the buy-in procedures of the SGX-ST will be implemented.

CLEARING FEES

A clearing fee for the trading of Units on the SGX-ST is payable at the rate of 0.0325% of the transaction value. The clearing fee and the deposit fee and unit withdrawal fee that CDP may charge may be subject to the prevailing GST.

DEALING IN UNITS

Dealings in the Units will be carried out in U.S. dollars and will be effected for settlement in CDP on a scripless basis. Settlement of trades on a normal "ready" basis on the SGX-ST generally takes place on the second Market Day following the transaction date. CDP holds securities on behalf of investors in Securities Accounts. An investor may open a direct account with CDP or a sub-account with any CDP depository agent. A CDP depository agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

EXPERTS

Ernst & Young LLP, the Reporting Auditor, were responsible for preparing the Reporting Auditor's Report on the Profit Forecast and Profit Projection and the Reporting Auditor's Report on the Unaudited Pro Forma Consolidated Financial Information found in Appendix A and Appendix B of this Prospectus, respectively.

Allen & Gledhill LLP, the Independent Singapore Tax Adviser, was responsible for preparing the Independent Singapore Taxation Report found in Appendix D of this Prospectus.

DLA Piper LLP (US), the Independent U.S. Tax Adviser, was responsible for preparing the Independent U.S. Taxation Report found in Appendix D of this Prospectus.

JLL and Cushman, the Independent Valuers, were responsible for preparing the Independent Property Valuation Summary Reports found in Appendix E of this Prospectus.

Cushman, the Independent Market Research Consultant, was responsible for preparing the Independent Property Market Research Report found in Appendix F of this Prospectus.

The Independent Tax Advisers, the Independent Valuers and the Independent Market Research Consultant have each given and have not withdrawn their written consents to the issue of this Prospectus with the inclusion herein of their names and their respective write-ups and reports and all references thereto in the form and context in which they respectively appear in this Prospectus, and to act in such capacity in relation to this Prospectus.

None of Greenberg Traurig, LLP, Clifford Chance Pte. Ltd. or Shook Lin & Bok LLP, makes, or purports to make, any statement in this Prospectus and none of them is aware of any statement in this Prospectus which purports to be based on a statement made by it and it makes no representation, express or implied, regarding, and takes no responsibility for, any statement in or omission from this Prospectus.

Save for the section "Appendix D – Independent Taxation Reports", Allen & Gledhill LLP does not make, or purport to make, any statement in this Prospectus and it is not aware of any statement in this Prospectus which purports to be based on a statement made by it and it makes no representation, express or implied, regarding, and takes no responsibility for, any statement in or omission from this Prospectus.

Save for the section "Appendix D – Independent Taxation Reports" and the statements attributed to DLA Piper LLP (US) in the sections "Important Notice Regarding The Ownership of Units", "Risk Factors – Risks Relating to the Structure of Prime US REIT – Changes in taxation legislation, administrative guidance, practice, regulations, any disagreement as to the interpretation thereof, and/or any tax ruling ceasing to apply, may adversely affect Prime US REIT, its subsidiaries, Unitholders and/or the Manager (and its owners)", "Ownership of the Units – Restrictions on Ownership of the Units", "Profit Forecast and Profit Projection – Sensitivity Analysis – Impact of U.S. 2017 Tax Legislation" and "The Formation and Structure of Prime US REIT – Restriction on Ownership of the Units", DLA Piper LLP (US) does not make, or purport to make, any statement in this Prospectus and it is not aware of any statement in this Prospectus which purports to be based on a statement made by it and it makes no representation, express or implied, regarding, and takes no responsibility for, any statement in or omission from this Prospectus.

REPORTING AUDITOR

Ernst & Young LLP, the Reporting Auditor, have given and have not withdrawn their consent to the issue of this Prospectus for the inclusion herein of:

- their name;
- the Reporting Auditor's Report on the Unaudited Pro Forma Consolidated Financial Information; and
- the Reporting Auditor's Report on the Profit Forecast and Profit Projection,

in the form and context in which they appear in this Prospectus, and references to its name and such reports in the form and context which they appear in this Prospectus and to act in such capacity in relation to this Prospectus.

GENERAL INFORMATION

RESPONSIBILITY STATEMENT BY THE DIRECTORS

(1) The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Prospectus and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Prospectus constitutes full and true disclosure of all material facts about the Offering, Prime US REIT and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Prospectus misleading, and the Directors are satisfied that the Profit Forecast and Profit Projection contained in "Profit Forecast and Profit Projection" have been stated after due and careful enquiry. Where information in the Prospectus has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Prospectus in its proper form and context.

MATERIAL BACKGROUND INFORMATION

(2) There are no legal or arbitration proceedings pending or, so far as the Directors are aware, threatened against the Manager the outcome of which, in the opinion of the Directors, may have or have had during the 12 months prior to the date of this Prospectus, a material adverse effect on the financial position of the Manager.

(3) There are no legal or arbitration proceedings pending or, so far as the Directors are aware, threatened against Prime US REIT the outcome of which, in the opinion of the Directors, may have or have had during the 12 months prior to the date of this Prospectus, a material adverse effect on the financial position (on a pro forma basis) of Prime US REIT.

(4) The name, age and address of each of the Directors are set out in "The Manager and Corporate Governance – Directors of the Manager". A list of the present and past directorships of each Director and executive officer of the Manager over the last five years preceding the Latest Practicable Date is set out in Appendix H "List of Present and Past Principal Directorships of Directors and Executive Officers".

(5) There is no family relationship among the Directors and executive officers of the Manager.

(6) Save as disclosed below, none of the Directors or executive officers of the Manager is or was involved in any of the following events:

(i) at any time during the last 10 years, an application or a petition under any bankruptcy laws of any jurisdiction filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within two years from the date he ceased to be a partner;

(ii) at any time during the last 10 years, an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within two years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency;

(iii) any unsatisfied judgment against him;

(iv) a conviction of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose;

(v) a conviction of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach;

(vi) at any time during the last 10 years, judgment been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part;

(vii) a conviction in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;

(viii) disqualification from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;

(ix) any order, judgment or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him from engaging in any type of business practice or activity;

(x) to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:

(a) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;

(b) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;

(c) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or

(d) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,

in connection with any matter occurring or arising during the period when he was so concerned with the entity or business trust; or

(xi) the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Authority or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere.

Material Background Information of Directors

Mr Charles J. Schreiber Jr. (in relation to question 6(vi))

- **GKP Holding LLC, et al. v. KBS Realty Advisors, LLC, et al filed in the Superior Court of the State of California, County of Los Angeles**

  GKP Holding LLC ("**GKP Holding**"), individually and on behalf of KBS Holdings LLC and KBS CA (collectively, the "**Plaintiffs**"), commenced an action against KBS RA, PBren Investments L.P., Peter M. Bren, Schreiber Real Estate Investments L.P., and Charles J. Schreiber, Jr., amongst others (collectively, the "**Defendants**"). A complaint (case number: 19SMCV00243) was filed by the Plaintiffs against the Defendants on 5 February 2019 but was subsequently dismissed in its entirety on 8 February 2019 after the Plaintiffs filed a request for dismissal. This complaint (case number: 19SMCV00243) was never served on the Defendants. On 28 February 2019, a new complaint (case number: 19SMCV00410) was filed by the Plaintiffs against the Defendants.

  This complaint alleges breach of fiduciary duty, fraudulent concealment and breach of oral contract in relation to the allocation of costs and expenses between: (i) KBS RA, (ii) KBS CA, and (iii) KBS Holdings LLC, each resulting in alleged misallocation of costs, expenses, revenues and distributions to the members of KBS Holdings LLC.

  As of the date of this Prospectus, the complaint (case number: 19SMCV00410) has not been served on the Defendants. Under California law, there is no obligation on the Defendants to respond, and there can be no liability imposed on the Defendants under law until a complaint has been officially served and the case determined on its merits. The parties are currently engaged in discussions to settle the dispute out of court, however, there is no indication when or if settlement will occur. If the parties are not able to reach an agreement out of court and the complaint (case number: 19SMCV00410) is subsequently served on the Defendants by the Plaintiffs, the Manager understands that the Defendants will be disputing the claims on the following basis:

  - Defendants believe all claims are without merit.

  - Defendants believe that all allocations of costs and expenses among KBS RA and KBS Holdings/KBS CA were done in accordance with agreements and understandings of all parties.

  - Defendants deny that there was any systematic or similar misallocation of costs and expenses among KBS RA and KBS Holdings/KBS CA.

  - Defendants do not understand the basis for the claim that the alleged costs and expenses should have been allocated to KBS RA and deny that any such misallocation of costs and expenses occurred.

  - Defendants are not aware of any material facts that were concealed from the Plaintiffs. Defendants have always provided the Plaintiffs all material information requested, and the Plaintiffs may well owe funds to Defendants.

  The Manager does not believe that the dispute among the four principals of KBS Holdings LLC would have any adverse implication(s) on the operations of Prime

US REIT and/or the Manager as the dispute relates to a disagreement on the allocation of costs, expenses, revenues and distributions pursuant to their internal understanding with respect to the allocation of costs and expenses among KBS RA, KBS CA and KBS Holdings. It does not involve any dispute regarding any allocations of any costs, expenses or other items for Prime US REIT or the Manager and does not in any way pertain to the assets which are proposed to be injected into Prime US REIT. For the avoidance of doubt, Prime US REIT and the Manager are **not** parties to the lawsuit. The assets of Prime US REIT do not belong to the Defendants. The properties of Prime US REIT are indirectly held by the trustee of Prime US REIT. Therefore, even if the lawsuit is successful, the Defendants would have to pay the damages from their own assets (and these assets do not include the assets of Prime US REIT).

The Manager understands from the Defendants that in the event that the above-mentioned claim results in a separation of the partners of KBS CA, there should be no disruption to the control of KBS CA on the basis that KBS CA is 2/3 owned by the estate of Peter M. Bren and Charles J. Schreiber, and that in the event of any separation between the partners of KBS CA, it would be minority partners who would be bought out, and that the estate of Peter M. Bren and Charles J. Schreiber Jr. would, following the separation, control 100% of KBS CA. It should be noted that the estate of Peter M. Bren and Charles J. Schreiber Jr. together holds 100% of KBS RA.

- **George Stewart, et al. v. KBS Real Estate Investment Trust, Inc., filed in the United States District Court for the Middle District of Florida, Case No. 2:12-cv-253-FtM-29DNF.**

  On 8 May 2012, two individuals (the "**Plaintiffs**"), who alleged that they were stockholders of KBS Real Estate Investment Trust, Inc. ("**KBS REIT I**"), commenced the above styled civil action against KBS REIT I, KBS Holdings LLC, KBS Capital Markets Group LLC, KBS CA and four individuals alleged to be principals of KBS CA (collectively the "**Defendants**"). The action was commenced by the Plaintiffs on behalf of themselves and purportedly on behalf of a class consisting of all of the investors in KBS REIT I.

  The Plaintiffs alleged, among other things, that the Defendants misled investors in KBS REIT I, made misrepresentations to prospective investors, committed breaches of fiduciary duty, and engaged in self-dealing transactions detrimental to investors in KBS REIT I.

  In addition, the Plaintiffs purported to assert a misrepresentation claim under the Florida Securities Investor Protection Act on behalf of a narrower class consisting of all residents of Florida who invested in KBS REIT I.

  On 20 July 2012, the Plaintiffs voluntarily withdrew their action after the Defendants filed motions to dismiss the complaints, which argued that the claims were without merit and should be disposed of as a matter of law. All of the Defendants contend that the allegations were without merit.

- **Judith Woodruff, et. al v. KBS Real Estate Investment Trust, Inc., filed in the Superior Court of the State of California, County of Marin, Case No. CIV 1300964, removed to the United States District Court for the Northern District of California, Case No. 4:13-cv-01643-PJH.**

  On 5 March 2013, an individual ("**Plaintiff B**"), who alleged that she was a stockholder of KBS REIT I, commenced the above styled civil action against KBS

REIT I, KBS Holdings, KBS Capital Markets Group LLC, KBS CA and five individuals who were directors or officers of KBS REIT I (collectively, "**Defendants B**"). The action was commenced by Plaintiff B on behalf of herself and purported to be brought on behalf of classes consisting of all persons who invested in the initial offering of shares in KBS REIT I between 5 March 2008 and 10 April 2012, all persons who bought shares pursuant to KBS REIT I's dividend reinvestment plan between 5 March 2008 and 10 April 2012, and all persons who are stockholders in KBS REIT I.

Plaintiff B alleged, among other things, that Defendants B made misrepresentations to prospective investors and committed breaches of fiduciary duty by paying out dividends in excess of the funds generated by KBS REIT I's operations and by entering into various agreements with KBS REIT I's manager.

On 11 April 2013, Defendants B removed the action to the United States District Court for the Northern District of California.

On 18 April 2013, Defendants B filed a motion to dismiss the complaint.

On 2 May 2013, Plaintiff B voluntarily withdrew her action without prejudice. All of Defendants B contend that the allegations were without merit.

- **Gary Lefkowitz v. KBS Realty Advisors LLC.**

On 14 April 2010, Mr. Lefkowitz commenced an action in the Superior Court of California for Los Angeles County against more than forty defendants, including KBS Realty Advisors LLC, the Bren Company and Charles J. Schreiber (together, the "**KBS Defendants**"). The plaintiff alleged that the defendants had wrongfully deprived him of interests in certain limited partnerships.

On 7 October 2010, the plaintiff filed an amended complaint.

On 17 November 2010, a group of defendants that included the KBS Defendants filed a demurrer to the amended complaint (the "**Demurrer**") on the ground that the plaintiff's claims were time barred.

On 4 January 2011, the Court granted the Demurrer without leave to amend. The Court held that the plaintiff's claims were time barred because, in the exercise of reasonable diligence, he should have discovered his claims in 2003 at the very latest. On 15 February 2011, based on the Court's earlier ruling, judgment was entered against the plaintiff and in favour of the group of defendants who had filed the Demurrer, including the KBS Defendants.

On 22 April 2011, the plaintiff filed a notice of appeal. As a result of the appellant's failure to make various filings in a timely fashion, the appeal took almost three years to resolve. On 15 January 2014, however, the appellate court affirmed the decision of the trial court.

Having fully considered the briefing submitted by parties and arguments presented at the hearing, during the pendency of the appeal, the trial court awarded the group of defendants that filed the Demurrer their costs of suit in the amount of US$9,410 plus attorneys' fees in the amount of US$150,000 against the plaintiff.

On 27 February 2014, Mr. Lefkowitz filed a petition for review in the Supreme Court of California. On 9 April 2014, the petition was denied.

On 8 July 2014, Mr. Lefkowitz filed a petition for writ of certiorari with the Supreme Court of the United States. On 1 December 2014, the petition was denied.

Ms Barbara Cambon (in relation to question 6(vi))

On 2 November 2011, Mr Arnold Weinberg sued Biomed Realty Trust Inc., a US real estate investment trust, seven of its directors and three senior officers for alleged issuance of a false and misleading proxy statement in violation of the US Securities Exchange Act, breach of fiduciary duty and unjust enrichment. Ms Barbara Cambon was one of the directors of Biomed Realty Trust Inc., and sat on its compensation committee. Each of Biomed Realty Trust Inc. and the individual defendants in this case filed motions to dismiss for failure to state a claim, and on 12 March 2012, the case was dismissed by the United States District Court for the District of Maryland.

MATERIAL CONTRACTS

(7) The dates of, parties to, and general nature of every material contract which the Trustee and its subsidiaries has entered into within the two years preceding the date of this Prospectus (not being contracts entered into in the ordinary course of the business of Prime US REIT) are as follows:

(i) the Trust Deed;

(ii) the Portfolio Purchase and Sale Agreement;

(iii) the Property Management Agreements; and

(iv) the Leasing Services Agreements.

DOCUMENTS FOR INSPECTION

(8) Copies of the following documents are available for inspection at the principal place of business of the Manager at 1 Raffles Place, #40-01 One Raffles Place, Singapore 048616, for a period of six months from the date of this Prospectus (prior appointment would be appreciated):

(i) the material contracts referred to in paragraph 7 above, save for the Trust Deed (which will be available for inspection for so long as Prime US REIT is in existence);

(ii) the Placement Agreement and the Singapore Offer Agreement;

(iii) the Reporting Auditor’s Report on the Profit Forecast and Profit Projection as set out in Appendix A of this Prospectus;

(iv) the Reporting Auditor’s Report on the Unaudited Pro Forma Financial Information as set out in Appendix B of this Prospectus;

(v) the Independent Singapore Taxation Report and Independent U.S. Taxation Report as set out in Appendix D of this Prospectus;

(vi) the Independent Property Valuation Summary Reports as set out in Appendix E of this Prospectus as well as the full appraisal reports for each of the Properties;

(viii) the Independent Property Market Research Report set out in Appendix F of this Prospectus;

(ix) the written consents of the Reporting Auditor, the Independent Valuers, the Independent Market Research Consultant and the Independent Tax Advisers (see "Experts" and "Reporting Auditor" for further details);

(x) the KBS Subscription Agreement;

(xi) the separate subscription agreements entered into between the Manager and the Cornerstone Investors to subscribe for the Cornerstone Units; and

(xii) the Depository Services Terms and Conditions.

CONSENTS OF THE SOLE FINANCIAL ADVISER AND ISSUE MANAGER AND THE JOINT BOOKRUNNERS AND UNDERWRITERS

(9) DBS Bank Ltd. has given and not withdrawn its written consent to being named in this Prospectus as the Sole Financial Adviser and Issue Manager to the Offering.

(10) DBS Bank Ltd., and Merrill Lynch (Singapore) Pte. Ltd. have each given and not withdrawn its written consent to being named in this Prospectus as a Joint Global Coordinator to the Offering.

(11) DBS Bank Ltd., Merrill Lynch (Singapore) Pte. Ltd., China International Capital Corporation (Singapore) Pte. Limited, Credit Suisse (Singapore) Limited, Maybank Kim Eng Securities Pte. Ltd. and Oversea-Chinese Banking Corporation Limited have each given and not withdrawn its written consent to being named in this Prospectus as a Joint Bookrunner and Underwriter to the Offering.

WAIVERS FROM THE SGX-ST

(12) The Manager has obtained from the SGX-ST waivers from compliance with the following listing rules under the Listing Manual:

(i) Rule 404(3)(a), which requires the Prime US REIT to limit its investments in companies which are related to the investment fund's substantial shareholders, investment managers or management companies, to a maximum of 10% of gross assets; and Rule 404(3)(c) which requires the REIT to restrict investments in unlisted securities to 30% of gross assets, subject to compliance with (i) the requirements under Chapter 9 of the Listing Manual and (ii) the Code on Collective Investment Schemes;

(ii) Rule 404(5), which requires the management company (if there is no management company, the sponsor or trustee) to be reputable and have an established track record in managing investments, subject to the management team in the Manager having the relevant experience as required under Rule 404(6) of the Listing Manual;

(iii) Rule 407(4), which requires the submission of the financial track record of the investment manager, the investment adviser and persons employed by them in the listing application, subject to the management team in the Manager having the relevant experience as required under Rule 404(6) of the Listing Manual; and

(iv) (in relation to the financial quarter ended 30 June 2019) Rule 705(2)(b) which requires Prime US REIT announces its financial statements for each of the first three quarters of its financial year immediately after the figures are available, but in any event not later than 45 days after the quarter ends, on the basis that Prime US REIT did not have any meaningful financial results for the financial quarter ended 30 June 2019 as it was a private trust and the Properties had not been acquired by Prime US REIT yet. Prime US REIT would announce its interim financial results for the period from the Listing Date to 30 September 2019.

WAIVERS FROM THE MAS

(13) The Manager has obtained from the MAS a waiver from compliance with paragraph 4.3 of the Property Funds Appendix for financial statements of Prime US REIT to be prepared in accordance with Chapter 5.1.1 of the CIS Code on the condition that the financial statements of Prime US REIT shall be prepared in accordance with IFRS.

MISCELLANEOUS

(14) The financial year end of Prime US REIT is 31 December and the first reporting period for Prime US REIT will be from Listing Date to 31 December 2019.

(15) A full valuation of each of the real estate assets held by Prime US REIT will be carried out at least once a year in accordance with the Property Funds Appendix. Generally, where the Manager proposes to issue new Units (except in the case where new Units are being issued in payment of the Manager's management fees) or to redeem existing Units, a valuation of the real properties held by Prime US REIT must be carried out in accordance with the Property Funds Appendix. The Manager or the Trustee may at any other time arrange for the valuation of any of the real properties held by Prime US REIT if it is of the opinion that it is in the best interest of Unitholders to do so.

(16) While Prime US REIT is listed on the SGX-ST, investors may check the SGX-ST website http://www.sgx.com for the prices at which Units are being traded on the SGX-ST. Investors may also check one or more major Singapore newspapers such as *The Straits Times, The Business Times* and *Lianhe Zaobao*, for the price range within which Units were traded on the SGX-ST on the preceding day.

(17) The Manager does not intend to receive soft dollars (as defined in the CIS Code) in respect of Prime US REIT. Save as disclosed in this Prospectus, unless otherwise permitted under the Listing Manual, neither the Manager nor any of its Associates will be entitled to receive any part of any brokerage charged to Prime US REIT, or any part of any fees, allowances or benefits received on purchases charged to Prime US REIT.

GLOSSARY

%	:	Per centum or percentage
Acquisition Fee	:	Pursuant to Clause 15.2.1 of the Trust Deed, 1.0% (or such lower percentage as may be determined by the Manager in its absolute discretion) of each of the following as is applicable (subject to there being no double-counting): • the acquisition price of any real estate purchased, whether directly or indirectly through one or more SPVs, by Prime US REIT (plus any other payments in addition to the acquisition price made by Prime US REIT or its SPVs to the vendor in connection with the purchase of the real estate) (pro-rated, if applicable, to the proportion of Prime US REIT's interest); • the underlying value of any real estate which is taken into account when computing the acquisition price payable for the equity interests of any vehicle holding directly or indirectly the real estate purchased by Prime US REIT, whether directly or indirectly through one or more SPVs (plus any additional payments made by Prime US REIT or its SPVs to the vendor in connection with the purchase of such equity interests) (pro-rated, if applicable, to the proportion of Prime US REIT's interest); or • the acquisition price of any investment purchased by Prime US REIT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate
Adjustments	:	Adjustments which are charged or credited to the consolidated profit and loss account of Prime US REIT for the relevant financial year or the relevant distribution period (as the case may be), including (i) differences between cash and accounting Gross Revenue, (ii) unrealised income or loss, including property revaluation and financial instruments/derivatives/assets/liabilities gains or losses, and provision or reversals of impairment provisions; (iii) deferred tax charges/credits; (iv) negative goodwill; (v) differences between cash and accounting finance costs; (vi) realised gains or losses on the disposal of properties and disposal/settlement of financial instruments; (vii) the portion of the Management Fee that is paid or payable in the form of Units; (viii) costs of any public or other offering of Units or convertible instruments that are expensed but are funded by proceeds from the issuance of such Units or convertible instruments; (ix) depreciation and amortisation in respect of the properties and their ancillary machines, equipment and other fixed assets; (x) adjustment for amortisation of rental incentives and (xi) other non-cash or timing differences related to income or expenses and (xii) other charges or credits (as deemed appropriate by the Manager)

Aggregate Leverage : The total borrowings and deferred payments (if any) as a percentage of the Deposited Property

Allocation Process : The asset allocation policy adopted by KBS CA and KBS RA for the Non-Traded Core Strategy REITs to deal with potential conflicts of interest upon listing of Prime US REIT

Annual Distributable Income : The amount calculated by the Manager (based on the audited financial statements of Prime US REIT for that financial year) as representing the consolidated audited net profit after tax of Prime US REIT (which includes the net profits of the SPVs held by Prime US REIT for the financial year, to be pro-rated where applicable to the portion of Prime US REIT's interest in the relevant SPV) for the financial year, as adjusted to eliminate the effects of Adjustments. After eliminating the effects of these Adjustments, the Annual Distributable Income may be different from the net profit recorded for the relevant Financial Year

Application Forms : The printed application forms to be used for the purpose of the Offering and which form part of this Prospectus

Application List : The list of applicants subscribing for Units which are the subject of the Singapore Public Offer

Appraised Value : The average of the two independent valuations conducted by the Independent Valuers (as defined herein) of each of the Properties as at 31 December 2018

Asset Manager Indemnified Parties : The U.S. Asset Manager and its managers, officers and employees

Associate : Has the meaning ascribed to it in the Listing Manual

ATM : Automated teller machine

Audit and Risk Committee : The audit and risk committee of the Board

Authorised Investments : Means:

(i) real estate;

(ii) any improvement or extension of or addition to, or reconstruction, refurbishment, retrofitting, renovation or other development of any real estate or any building thereon;

(iii) real estate related assets, wherever the issuers, assets or securities are incorporated, located, issued or traded;

(iv) listed or unlisted debt securities and listed shares or stock and (if permitted by the Authority) unlisted shares or stock of or issued by local or foreign non-property companies or corporations;

(v) government securities (issued on behalf of the Singapore Government or governments of other countries) and securities issued by a supra-national agency or a Singapore statutory board;

(vi) cash and cash equivalent items;

(vii) financial derivatives only for the purposes of (a) hedging existing positions in Prime US REIT's portfolio where there is a strong correlation to the underlying investments or (b) efficient portfolio management, PROVIDED THAT such derivatives are not used to gear the overall portfolio of Prime US REIT or intended to be borrowings or any form of financial indebtedness of Prime US REIT; and

(viii) any other investment not covered by paragraph (i) to (vii) of this definition but specified as a permissible investment in the Property Funds Appendix and selected by the Manager for investment by Prime US REIT and approved by the Trustee in writing

Authority or MAS	:	Monetary Authority of Singapore
Automatic Forfeiture	:	The automatic forfeiture of Units held by any person in excess of the Unit Ownership Limit to the Trustee as provided in the Trust Deed
A-REIT	:	Ascendas Real Estate Investment Trust
Base Fee	:	10.0% per annum of Prime US REIT's Annual Distributable Income (calculated before accounting for the Base Fee and the Performance Fee)
BART	:	Bay Area Rapid Transit
Board	:	The board of directors of the Manager
Borrower	:	Prime US-Lower Tier, LLC
Business Day	:	Any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and the SGX-ST is open for trading
Cash Rental Income	:	Rental income and recoveries income without straight-line adjustments and amortisation of free rent incentives
CBS	:	Cross-based statistical area
CDP	:	The Central Depository (Pte) Limited
CEO	:	Chief Executive Officer
CFIUS	:	Committee on Foreign Investments in the United States

CFO	:	Chief Financial Officer
CIO	:	Chief Investment Officer
CIS Code	:	The Code on Collective Investment Schemes issued by the MAS
CMP Regulations 2018	:	Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore
Closing	:	The closing in respect of the transfers of the Vendors' title to the Properties on the Closing Date
Closing Date	:	The date on which the transfers of the Vendors' titles to the Properties take place
CMS Licence	:	Capital markets services licence for REIT management
Code	:	United States Internal Revenue Code
Companies Act	:	Companies Act, Chapter 50 of Singapore
Controlling Shareholder	:	As defined in the Listing Manual, means a person who: (i) holds directly or indirectly 15.0% or more of the total number of issued shares (excluding treasury shares) of a company; or (ii) in fact exercises control over a company, where "control" refers to the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
Core Strategy Team	:	Refers to the team operating within KBS which primarily manages the Core Strategy REITs
Cornerstone Investors	:	The cornerstone investors being AT Investments Limited, KCIH, Times Properties Private Limited, Linda Bren 2017 Trust, The Schreiber Trust, Credit Suisse AG, Singapore Branch and Credit Suisse AG, Hong Kong Branch (on behalf of certain private banking clients), DBS Bank Ltd., DBS Bank Ltd. (on behalf of certain of its wealth management clients) and Hiap Hoe Investment Pte. Ltd.
Cornerstone Units	:	The 360,251,800 Units to be issued to the Cornerstone Investors
CPF	:	Central Provident Fund
Cushman	:	Cushman & Wakefield Western, Inc.
DART	:	Dallas Area Rapid Transit
Declaration	:	Declaration of restrictive covenants, conditions, restrictions, reservations and easements
DBS Cornerstone Units	:	All the Cornerstone Units which will be held by DBS Bank Ltd. on the Listing Date, except the Cornerstone Units held by DBS Bank Ltd. on behalf of certain private banking clients

Deposited Property	:	All the assets of Prime US REIT, including all its Authorised Investments held or deemed to be held in accordance with the Trust Deed
Depository Services Terms and Conditions	:	CDP's depository services terms and conditions in relation to the deposit of the Units in CDP
Directors	:	The directors of the Manager
Divestment Fee	:	Pursuant to Clause 15.2.1 of the Trust Deed, 0.5% (or such lower percentage as may be determined by the Manager in its absolute discretion) of each of the following as is applicable (subject to there being no double-counting): • the sale price of any real estate sold or divested, whether directly or indirectly through one or more SPVs, by Prime US REIT (plus any other payments[1] in addition to the sale price received by Prime US REIT or its SPVs from the purchaser in connection with the sale or divestment of the real estate) (pro-rated, if applicable, to the proportion of Prime US REIT's interest); • the underlying value[2] of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding directly or indirectly the real estate, sold or divested, whether directly or indirectly through one or more SPVs, by Prime US REIT (plus any additional payments received by Prime US REIT or its SPVs from the purchaser in connection with the sale or divestment of such equity interests) (pro-rated, if applicable, to the proportion of Prime US REIT's interest); or • the sale price of any investment sold or divested by Prime US REIT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.
DPU	:	Distribution per Unit
Excess Units	:	Units acquired or held in excess of the Unit Ownership Limit
Exempted Agreements	:	The Trust Deed and the Portfolio Purchase and Sale Agreement
Exempted Offeror	:	An offeror for the purposes of the Take-Over Code, who has (i) made a general offer in accordance with the Take-over Code for all the Units in Prime US REIT which it does not own, control

1 "**Other payments**" refer to additional payments to Prime US REIT or its SPVs for the sale of the asset, for example, where Prime US REIT or its SPVs have already made certain payments for enhancements to the asset, and the value of the asset enhancements is not reflected in the sale price as the asset enhancements are not completed, but "other payments" do not include stamp duty or other payments to third party agents and brokers.

2 For example, if Prime US REIT sells or divests an SPV which holds real estate, such underlying value would be the value of the real estate derived from the amount of equity ascribed to the asset which will be paid to Prime US REIT as the sale price and any debt of the SPV.

		or agreed to be acquired by it and its concert parties (as such term is used in the Take-over Code), (ii) received acceptances of the offeror's general offer which exceeded the threshold required under section 295A of the SFA, such that it acquires the right to compulsorily acquire Units from those Unitholders who have not accepted the offeror's general offer as at the closing date of such offer, and (iii) exercised or publicly announced that it undertakes to exercise its rights to acquire the Units of such dissenting Unitholders
Experion	:	Experion Holdings Pte. Ltd.
Extended U.S. LLCs	:	The Upper-Tier U.S. LLC, the Mid-Tier U.S. LLC, the Lower-Tier U.S. LLC and the Property-Tier U.S. LLCs, Prime US Properties, LLC, Prime US-Acquisition I, LLC and Prime US-222 Main, LLC collectively
Extraordinary Resolution	:	A resolution proposed and passed as such by a majority consisting of 75.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed
FATCA	:	The United States Foreign Account Tax Compliance Act
Fee Arrangements	:	Fee arrangements for the Manager and the Trustee
FFI	:	A financial institution (as defined for FATCA purposes) outside the United States
First Distribution	:	The first distribution of Prime US REIT after the Listing Date for the period from the Listing Date to 31 December 2019
First Lock-up Period	:	The period commencing from the date of issuance of the Units until the date falling 6 months after the Listing Date (both dates inclusive)
Forecast Period 2019	:	1 April 2019 to 31 December 2019
FY	:	Financial year ended or, as the case may be, ending 31 December
GDP	:	Gross domestic product
Gross Revenue	:	Consists of Rental Income and other income attributable to the operation of the Properties and a service charge collected to offset the recoverable expenses
Group	:	Prime US REIT and/or any of its direct and indirect subsidiaries
GST	:	Goods and Services Tax
IFRS	:	International Financial Reporting Standards

IGA	:	An Intergovernmental Agreement between the United States and another government regarding the implementation of FATCA
Independent Market Research Consultant	:	Cushman
Independent Singapore Tax Adviser	:	Allen & Gledhill LLP
Independent Tax Advisers	:	Independent Singapore Tax Adviser and Independent U.S. Tax Adviser
Independent U.S. Tax Adviser	:	DLA Piper LLP (US)
Independent Valuers	:	Cushman and JLL
Initial Unit	:	The Unit held by the Manager on the Listing Date immediately before the issue of the Offering Units
Instruments	:	Offers, agreements or options that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units
Interested Party	:	Has the meaning ascribed to it in the Property Funds Appendix
Interested Party Transaction	:	Has the meaning ascribed to it in the Property Funds Appendix
Interested Person	:	Has the meaning ascribed to it in the Listing Manual
Interested Person Transactions	:	Has the meaning ascribed to it in the Listing Manual
IPO	:	Initial public offering
IPO Portfolio	:	The initial portfolio of Properties held by Prime US REIT as at the Listing Date
IRAS	:	Inland Revenue Authority of Singapore
IRC	:	United States Internal Revenue Code of 1986, as amended
IRS	:	United States Internal Revenue Service
JLL	:	JLL Valuation & Advisory Services, LLC

Joint Bookrunners and Underwriters or Joint Bookrunners	:	DBS Bank Ltd., Merrill Lynch (Singapore) Pte. Ltd., China International Capital Corporation (Singapore) Pte. Limited, Credit Suisse (Singapore) Limited, Maybank Kim Eng Securities Pte. Ltd. and Oversea-Chinese Banking Corporation Limited
KAP	:	KBS Asia Partners Pte. Ltd.
KBS	:	KBS CA and KBS RA
KBS CA	:	KBS Capital Advisors LLC
KBS LP III	:	KBS Limited Partnership III
KBS Management Agreement	:	The outsourcing agreement to be entered into prior to the Listing Date between the Manager, the Manager US Sub, the U.S. Asset Manager, the Parent U.S. REIT and the Property Holding LLCs
KBS RA	:	KBS Realty Advisors, LLC
KBS REIT I	:	KBS Real Estate Investment Trust, Inc.
KBS REIT II	:	KBS Real Estate Investment Trust II, Inc.
KBS REIT III	:	KBS Real Estate Investment Trust III, Inc.
KBS REIT Properties III	:	KBS REIT Properties III LLC
KBS REIT Properties III Lock-up Units	:	The Units held by KBS REIT Properties III on the Listing Date and subject to the lock-up arrangements
KBS Subscription Agreement	:	The subscription agreement dated 27 June 2019 entered into between the Manager and KBS REIT Properties III to subscribe for the KBS Units
KBS Units	:	The 228,408,999 Units to be issued to KBS REIT Properties III
KC Two	:	Keppel Capital Two Pte. Ltd.
KCH	:	Keppel Capital Holdings Pte. Ltd.
KCI	:	Keppel Capital International Pte. Ltd.
KCIH	:	Keppel Capital Investment Holdings Pte. Ltd.
KCI's Misconduct	:	KCI Indemnified Party's gross negligence or wilful misconduct
KCI Indemnified Parties	:	KCI and its affiliates under indemnity from the Manager in relation to the Keppel Management Agreement
Keppel Management Agreement	:	The outsourcing agreement entered into between the Manager and KCI
Latest Practicable Date	:	24 June 2019, being the latest practicable date prior to the lodgement of this Prospectus with the MAS

Leasing Agents	:	Cushman & Wakefield of California, Inc., CBRE, Inc., David, Hicks & Lampert Brokerage, LLC, Cushman & Wakefield of Colorado, Inc., AREA Real Estate Advisors, TSC Central Region, GP, LLC, dba Transwestern, Trinity Partners, LLC, Avison Young – Washington, D.C. LLC and Cushman & Wakefield U.S., Inc., as the leasing agents of the Properties
Leasing Services Agreement	:	The leasing services agreements in relation to the Properties entered into between the relevant Leasing Agent and the relevant Property Holding LLC
Lenders	:	Lenders to the Term Loan Facilities and Revolving Credit Facility
Listing Date	:	The date of admission of Prime US REIT to the Official List of the SGX-ST
Listing Manual	:	The Listing Manual of the SGX-ST
Loans	:	The loans granted by the Singapore Lending Subs to the Parent U.S. REIT
Loan Facilities	:	The facilities that Prime US REIT will have in place on the Listing Date through its wholly-owned subsidiaries, aggregating US$485.0 million, of which US$452.2 million is expected to be drawn as at the Listing Date
Lock-up Period	:	The First Lock-Up Period and the Second Lock-Up Period
Lock-up Units	:	The KBS REIT Properties III Lock-up Units
Losses	:	All claims, liabilities, costs, charges, expenses, losses and damages
Lower-Tier U.S. LLC	:	Prime US-Lower Tier, LLC
Management Fee or **Manager's Management Fee**	:	Base Fee and Performance Fee
Manager	:	KBS US Prime Property Management Pte. Ltd., in its capacity as manager of Prime US REIT
Manager US Services	:	All of the services that are undertaken in the US and are not otherwise covered in the KBS Management Agreement and certain additional United States services
Manager US Services Agreement	:	The services agreement entered into between the Manager, the Manager US Sub, the Parent U.S. REIT and the Property Holding LLCs.
Manager US Sub	:	KBS US Prime Property Management Sub, LLC
MSA	:	Metropolitan Statistical Area

Market Day	:	A day on which the SGX-ST is open for trading in securities
Mid-Tier U.S. LLC	:	Prime US-Middle Tier, LLC
NAV	:	Net asset value
Net Lettable Area or NLA	:	Net lettable area
Net Property Income	:	Gross Revenue less property operating expenses
Nominating and Remuneration Committee	:	Nominating and Remuneration Committee of the Board
Non-Recourse Carveouts	:	Certain Provisions in loan documents which make the borrower personally liable for breaches
Non-Traded Core Strategy REITs	:	KBS REIT II, KBS REIT III and KBS Growth & Income REIT
Non-Traded SOR REITs	:	KBS Strategic Opportunity REIT, Inc. and KBS Strategic Opportunity REIT II, Inc.
Non-U.S. Unitholder	:	A Unitholder that is not a United States person
Notes	:	Debt securities issued by the Parent U.S. REIT to the Singapore Lending Subs
OFAC	:	Office of Foreign Assets Control of the United States Department of the Treasury
OFAC Requirements	:	OFAC regulations and other laws prohibiting the conduct of business or engaging in transactions with Prohibited Persons
Offering	:	The offering of 335,203,200 Units by the Manager for subscription at the Offering Price under the Placement Tranche and the Singapore Public Offer
Offering Price	:	The subscription price of US$0.88 per Unit under the Offering
Offering Units	:	The 335,203,200 Units to be issued pursuant to the Offering
Offshore Account	:	A U.S. dollar bank account maintained outside Singapore
Ordinary Resolution	:	A resolution proposed and passed as such by a majority being greater than 50.0% of the total number of votes cast for and against such resolution at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed
Over-Allotment Option	:	An option to be granted by the Unit Lender to the Joint Bookrunners to purchase from the Unit Lender up to an aggregate of 46,193,000 Units at the Offering Price, solely to cover the over-allotment of Units (if any)

Parent U.S. REIT	:	Prime US-Sub REIT, Inc.
p.a.	:	Per annum
Participating Banks	:	DBS Bank Ltd. (including POSB), Oversea-Chinese Banking Corporation Limited and United Oversea Bank Limited and its subsidiary, Far Eastern Bank Limited
PDPA	:	Personal Data Protection Act 2012, Singapore Act No. 26 of 2012
Performance Fee	:	25.0% per annum of the difference in DPU in a financial year with the DPU in the preceding financial year (calculated before accounting for the Performance Fee but after accounting for the Base Fee in each financial year) multiplied by the weighted average number of Units in issue for such financial year
Placement Agreement	:	The underwriting agreement in relation to the Placement Tranche which is expected to be entered into on or prior to the closing date for the Singapore Public Offer, being 15 July 2019, between, among others, the Manager, the Sponsor and the Joint Bookrunners
Placement Tranche	:	The international placement of Units to investors other than the Sponsor and the Cornerstone Investors, pursuant to the Offering
Portfolio Sale and Purchase Agreement	:	Portfolio Sale and Purchase Agreement between the Property Holding LLC and the Vendors in respect of the acquisition of the IPO Portfolio
Profit Forecast	:	The forecast results for Forecast Period 2019
Profit Projection	:	The projected results for Forecast Period 2019 and Projection Year 2020
Prohibited Persons	:	List of persons designated as terrorists or who are otherwise blocked or banned
Projection Year 2020	:	1 January 2020 to 31 December 2020
Properties	:	The properties which are held by Prime US REIT, and "**Property**" means any one of them
Property Funds Appendix	:	Appendix 6 of the CIS Code issued by the MAS in relation to REITs
Property Holding LLCs	:	The Property-Tier U.S. LLCs and Prime US-222 Main, LLC collectively.
Property Management Agreements	:	The property management agreements in relation to the Properties dated 27 June 2019 entered into between the relevant Property Manager and the relevant Property Holding LLC

Property Management Fee	:	Based on gross revenue income and ranges from 0.85% to 3.0% of gross revenue income
Property Managers	:	(i) Cushman & Wakefield U.S., Inc.; (ii) HP Utah Management LLC; (iii) Jones Lang LaSalle Americas, Inc.; (iv) Shea Properties Management Company, Inc.; (v) CBRE, Inc.; (vi) Transwestern Commercial Services Central Region, L.P., dba Transwestern; and (vii) Transwestern Carey Winston, L.L.C., dba Transwestern
Property-Tier U.S. LLCs	:	The property-owning U.S. LLC subsidiaries of the Parent U.S. REIT that are held through Prime US-Lower Tier, LLC
Proposed Regulations	:	The proposed regulations released by the United States Department of the Treasury to address the relevant provisions of the U.S. 2017 Tax Legislation
Purchaser	:	Any of the Property Holding LLCs
Recognised Stock Exchange	:	Any stock exchange of repute in any country in any part of the world
Recording Authorities	:	Proper local county or city recording office in the U.S.
Regulation S	:	Regulation S under the Securities Act
REIT	:	Real estate investment trust
Related Party	:	Refers to an Interested Person and/or, as the case may be, an Interested Party
Related Party Leases	:	Certain lease agreements in relation to the lease of premises at the Properties which were entered into by related corporations of the Manager
Related Party Transactions	:	"Interested person transactions" in the Listing Manual and "interested party transactions" in the Property Funds Appendix
Remitted Interest	:	Interest remitted from a Singapore Lending Sub's Offshore Account into its bank account in Singapore
Rental Income	:	Comprises principally rental income received from rental of office space
Reporting Auditor	:	Ernst & Young LLP
Revolving Credit Facility	:	Three-year revolving credit facility of US$100 million
S$ or **Singapore dollars and cents**	:	Singapore dollars and cents, the lawful currency of the Republic of Singapore
Second Lock-up Period	:	The period immediately following the First Lock-up Period until the date falling 12 months after the Listing Date

Securities Account	:	Securities account or sub-account maintained by a Depositor (as defined in Section 130A of the Companies Act) with CDP
Securities Act	:	U.S. Securities Act of 1933, as amended
Securities and Futures Act or **SFA**	:	Securities and Futures Act, Chapter 289 of Singapore
Settlement Date	:	The date and time on which the Units are issued as settlement under the Offering
SGX-ST	:	Singapore Exchange Securities Trading Limited
Singapore IGA Legislation	:	Singapore legislation implementing the IGA between Singapore and the United States
Singapore Lending Sub	:	Shall have the meaning set out in the section on "Taxation – Singapore Income Tax Overview – Taxation of Prime US REIT – Tax Rulings"
Singapore Offer Agreement	:	The underwriting agreement in relation to the Singapore Public Offer entered into on 8 July 2019 between, among others, the Manager, the Sponsor and the Joint Bookrunners
Singapore Public Offer	:	The offering to the public in Singapore of no less than 16,761,000 Units
Singapore Sub 1	:	Prime US REIT S1 Pte. Ltd.
Singapore Sub 2	:	Prime US REIT S2 Pte. Ltd.
SITA	:	Income Tax Act, Chapter 134 of Singapore
Sole Financial Adviser and Issue Manager	:	DBS Bank Ltd.
SOR Team	:	Strategic Opportunity REIT Team of KBS CA
Sponsor	:	KAP
Springing REIT	:	U.S. LLC that has properly elected to be a U.S. REIT
SPVs	:	Special purpose vehicles
sq ft	:	Square feet
sq m	:	Square metres
SRL	:	Society with Restricted Liability
Stabilising Manager	:	Merrill Lynch (Singapore) Pte. Ltd.
Substantial Unitholder	:	Any Unitholder with an interest in one or more Units constituting not less than 5.0% of all Units in issue

Take-over Code	:	Singapore Code on Take-overs and Mergers
Tax Rulings	:	The advance tax rulings set out in IRAS' letter dated 26 February 2019
Term Loan Facilities	:	Five-year term loan facility of US$140.0 million and a four-year term loan facility of US$140.0 million
Title Insurance Company	:	Commonwealth Land Title Insurance Company, being the title insurance company which will be issuing title insurance policies to the Property Holding LLCs for the Properties in the IPO Portfolio
TRS	:	Taxable REIT subsidiary, as defined in Section 856(l) of the IRC
TRS Services Fee	:	The fees payable by a TRS which the Property Manager is entitled to for providing or procuring services to or for a tenant of a Property-Tier Sub-U.S. REIT that are not permitted to be performed by a U.S. REIT
Trust Companies Act	:	Trust Companies Act, Chapter 336 of Singapore
Trust Deed	:	The trust deed dated 7 September 2018 entered into between the Manager and the Trustee constituting Prime US REIT, and as may be amended, varied or supplemented from time to time
Trustee	:	DBS Trustee Limited, in its capacity as trustee of Prime US REIT
Underwriting, Selling and Management Commission	:	The underwriting, selling and management commission payable to the Joint Bookrunners for their services in connection with the Offering comprising of (i) a fixed commission of 2.0%; and (ii) an incentive fee payable at the discretion of the Manager of up to 0.45%, of the gross proceeds from the sale of the Units under the Placement Tranche and the Singapore Public Offer, certain of the Cornerstone Units and Units sold pursuant to the exercise of the Over-Allotment Option
Unit(s)	:	An undivided interest in Prime US REIT as provided for in the Trust Deed
Unit Issue Mandate	:	The general mandate for the Manager to issue Units within certain limits until (i) the conclusion of the first annual general meeting of Prime US REIT or (ii) the date by which first annual general meeting of Prime US REIT is required by applicable regulations to be held, whichever is earlier
Unit Lender	:	KBS REIT Properties III
Unit Lending Agreement	:	The unit lending agreement expected to be entered into between the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) and the Unit Lender on the date of the Placement Agreement in connection with the Over-Allotment Option

Unitholder(s)	:	The registered holder for the time being of a Unit including persons so registered as joint holders, except that where the registered holder is CDP, the term "Unitholder" shall, in relation to Units registered in the name of CDP, mean, where the context requires, the depositor whose Securities Account with CDP is credited with Units
Unitholding	:	The holding of Units by a Unitholder
Unit Ownership Limit	:	9.8% of the outstanding Units
Unit Registrar	:	Boardroom Corporate & Advisory Services Pte. Ltd.
United States or **U.S.**	:	United States of America
Upper-Tier U.S. LLC	:	Prime US-Upper Tier, LLC
USC	:	University of Southern California
U.S. 2017 Tax Legislation	:	U.S. tax legislation modifying the IRC enacted in December 2017
U.S. Asset Manager	:	KBS RA
U.S. Asset Manager's Misconduct	:	Asset Manager Indemnified Party's fraud, gross negligence or wilful misconduct
U.S. LLC	:	A U.S. limited liability company
U.S. LP	:	A U.S. limited partnership
U.S. Portfolio Interest Exemption	:	An exemption from 30% U.S. withholding tax on distributions from Prime US REIT to eligible Unitholders attributable to the interest payments from the Parent U.S. REIT to Singapore Sub 2 pursuant to the loan from Singapore Sub 2, as provided in the IRC and subject to the conditions set forth therein.
U.S. REIT	:	An entity that is organised so as to qualify for taxation as a REIT for U.S. federal income tax purposes
VAT	:	Value-added tax
Vendors	:	Village Center Station II Owner, LLC, KBSIII Tower at Lake Carolyn, LLC, KBSIII One Washingtonian, LLC, KBSIII 222 Main, LLC, KBSIII 171 17th Street, LLC, KBSIII Reston Square, LLC, KBSIII 101 South Hanley, LLC, KBSIII Village Center Station, LLC, KBSIII Promenade One, LLC, KBSIII Promenade Two, LLC, KBSIII CrossPoint At Valley Forge Trust and KBSIII Towers At Emeryville, LLC
WALE	:	Weighted average lease expiry
WFP	:	A withholding foreign partnership

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Prospectus to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Prospectus is made by reference to Singapore time unless otherwise stated.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding.

Information contained in the Manager's website does not constitute part of this Prospectus.

REPORTING AUDITOR'S REPORT ON THE PROFIT FORECAST AND PROFIT PROJECTION

8 July 2019

The Board of Directors
KBS US Prime Property Management Pte. Ltd.
(in its capacity as Manager of Prime US REIT)
1 Raffles Place
#40-01 One Raffles Place
Singapore 048616

DBS Trustee Limited
(in its capacity as Trustee of Prime US REIT)
12 Marina Boulevard
Marina Bay Financial Centre Tower 3
Singapore 018982

Dear Sirs,

Letter from the Independent Reporting Auditor on the Profit Forecast for the financial period from 1 April 2019 to 31 December 2019 and the Profit Projection for the financial year ending 31 December 2020

This letter has been prepared for inclusion in the prospectus dated 8 July 2019 (the "**Prospectus**") to be issued in connection with the offering of 335,203,200 units in Prime US REIT at the offering price of US$0.88 per unit (the "**Offering**").

The directors of the Manager (the "**Directors**") are responsible for the preparation and presentation of the forecast and projected consolidated statements of comprehensive income and distribution of Prime US REIT for the financial period from 1 April 2019 to 31 December 2019 (the "Profit Forecast") and for the financial year ending 31 December 2020 (the "Profit Projection"), as set out on page 116 of the Prospectus, which have been prepared on the basis of the assumptions as set out on pages 117 to 125 of the Prospectus.

We have examined the Profit Forecast and Profit Projection as set out on page 116 of the Prospectus, which have been prepared on the basis of the assumptions as set out on pages 117 to 125 of the Prospectus, in accordance with International Standard on Assurance Engagements (ISAE) 3400, *The Examination of Prospective Financial Information*. The Directors are solely responsible for the Profit Forecast and Profit Projection, including the assumptions set out on pages 117 to 125 of the Prospectus on which they are based.

Profit Forecast

Based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the Profit Forecast. Further, in our opinion, the Profit Forecast is properly prepared on the basis of the assumptions set out on pages 117 to 125 of the Prospectus, is consistent with the accounting policies as set out on pages C-14 to C-20 of the Prospectus, and is presented in accordance with the relevant presentation principles of International Financial Reporting Standards (but not all the required disclosures) as issued by the International Accounting Standards Board ("IASB"), which is the framework to be adopted by Prime US REIT in the preparation of its financial statements.

Profit Projection

The Profit Projection is intended to show a possible outcome based on the stated assumptions. As the length of the period covered by the Profit Projection extends beyond the period covered by the Profit Forecast, the assumptions used in the Profit Projection (which included hypothetical assumptions about future events which may not necessarily occur) are more subjective than would be appropriate for the Profit Forecast. The Profit Projection does not therefore constitute a profit forecast.

Based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the Profit Projection. Further, in our opinion, the Profit Projection is properly prepared on the basis of the assumptions as set out on pages 117 to 125 of the Prospectus, is consistent with the accounting policies as set out on pages C-14 to C-20 of the Prospectus, and is presented in accordance with the relevant presentation principles of International Financial Reporting Standards (but not all the required disclosures) as issued by the IASB, which is the framework to be adopted by Prime US REIT in the preparation of its financial statements.

Events and circumstances frequently do not occur as expected. Even if the events anticipated under the hypothetical assumptions described in the Prospectus occur, actual results are still likely to be different from the Profit Forecast and Profit Projection since other anticipated events frequently do not occur as expected and the variation may be material. The actual results may therefore differ materially from those forecasted and projected. For these reasons, we do not express any opinion as to the possibility of achievement of the Profit Forecast and Profit Projection.

Attention is drawn to the risk factors set out on pages 59 to 84 of the Prospectus which describe the principal risks associated with the Offering to which the Profit Forecast and Profit Projection relate and the sensitivity analysis of the Profit Forecast and Profit Projection as set out on pages 126 to 128 of the Prospectus.

Yours faithfully,

ERNST & YOUNG LLP
Public Accountants and
Chartered Accountants
Singapore

Partner-in-charge: Nelson Chen

REPORTING AUDITOR'S REPORT ON THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

8 July 2019

The Board of Directors
KBS US Prime Property Management Pte. Ltd.
(in its capacity as Manager of Prime US REIT)
1 Raffles Place
#40-01 One Raffles Place
Singapore 048616

DBS Trustee Limited
(in its capacity as Trustee of Prime US REIT)
12 Marina Boulevard
Marina Bay Financial Centre Tower 3
Singapore 018982

Dear Sirs,

Report on the Compilation of Unaudited Pro Forma Consolidated Financial Information of Prime US REIT

We have completed our assurance engagement to report on the compilation of Unaudited Pro Forma Consolidated Financial Information of Prime US REIT by KBS US Prime Property Management Pte. Ltd. (the "**Manager**"). The Unaudited Pro Forma Consolidated Financial Information of Prime US REIT comprises the unaudited pro forma consolidated statement of financial position as at 31 December 2018; the unaudited pro forma consolidated statements of comprehensive income for the years ended 31 December 2016, 31 December 2017 and 31 December 2018; the unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2018; and related notes (collectively, the "**Unaudited Pro Forma Consolidated Financial Information**") as set out on pages C-1 to C-32 of the prospectus dated 8 July 2019 (the "**Prospectus**") to be issued in connection with the offering of 335,203,200 units in Prime US REIT (the "**Offering**"). The Unaudited Pro Forma Consolidated Financial Information of Prime US REIT has been prepared for illustrative purpose only and are based on certain assumptions, after making certain adjustments. The applicable criteria (the "**Criteria**") on the basis of which the Manager has compiled the Unaudited Pro Forma Consolidated Financial Information are described in Appendix C to the Prospectus.

With reference to the basis of preparation as stated in Appendix C to the Prospectus, the Unaudited Pro Forma Consolidated Financial Information of Prime US REIT has been compiled by the Manager to illustrate the impact of:

(a) the comprehensive income of Prime US REIT if it had acquired the properties comprising Tower I at Emeryville, 222 Main, Village Center Station I, Village Center Station II, 101 South Hanley, Tower 909, Promenade I & II, CrossPoint, One Washingtonian Center, Reston Square and 171 17th Street (collectively, the "Properties") on the respective dates stated in Appendix C, under the same terms set out in the Prospectus;

(b) the cash flows of Prime US REIT if it had acquired the Properties on 1 January 2018, under the same terms set out in the Prospectus; and

(c) the financial position of Prime US REIT if it had acquired the Properties on 31 December 2018, under the same terms set out in the Prospectus.

The dates on which the transactions described in Appendix C to the Prospectus are assumed to have been undertaken are hereinafter collectively referred to as the "**Relevant Dates**".

As part of this process, information about Prime US REIT's financial position, comprehensive income and cash flows has been extracted by the Manager from the financial statements of KBS Real Estate Investment Trust III, Inc., which owned the Properties prior to their acquisition by Prime US REIT for the years ended 31 December 2016, 31 December 2017 and 31 December 2018 on which separate audit reports have been published. The aforementioned financial statements are hereinafter collectively referred to as "**the Relevant Financial Statements**".

The Manager's responsibility for the Unaudited Pro Forma Consolidated Financial Information

The Manager is responsible for compiling the Unaudited Pro Forma Consolidated Financial Information on the basis of the Criteria.

Reporting Auditor's Responsibilities

Our responsibility is to express an opinion about whether the Unaudited Pro Forma Consolidated Financial Information of Prime US REIT has been compiled, in all material respects, by the Manager on the basis of the Criteria.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Consolidated Financial Information Included in a prospectus, issued by International Auditing and Assurance Standards Board ("**IAASB**"). This standard requires that the Reporting Auditor comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Manager has compiled, in all material respects, the Unaudited Pro Forma Consolidated Financial Information on the basis of the Criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Consolidated Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Consolidated Financial Information.

The purpose of pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at each of the Relevant Dates would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Consolidated Financial Information has been compiled, in all material respects, on the basis of the Criteria involves performing procedures to assess whether the applicable criteria used by the Manager in the compilation of the Unaudited Pro Forma Consolidated Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

(a) the related pro forma adjustments give appropriate effect to those Criteria; and

(b) the Unaudited Pro Forma Consolidated Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the Reporting Auditor's judgement, having regard to the Reporting Auditor's understanding of the nature of the event or transaction in respect of which the Unaudited Pro Forma Consolidated Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Consolidated Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Consolidated Financial Information has been compiled:

  (i) from the information in the Relevant Financial Statements (which were prepared based on International Financial Reporting Standards) and is presented in accordance with the relevant presentation principles of International Financial Reporting Standards as issued by the International Accounting Standards Board;

  (ii) in a manner consistent with the accounting policies to be adopted by Prime US REIT; and

  (iii) on the basis of the Criteria stated in Appendix C of the Prospectus; and

(b) each material adjustment made to the information used in the preparation of the Unaudited Pro Forma Consolidated Financial Information is appropriate for the purpose of preparing such unaudited financial information.

This report has been prepared for inclusion in the Prospectus of Prime US REIT to be issued in connection with the Offering and should not be used for any other purpose.

Yours faithfully,

ERNST & YOUNG LLP
Public Accountants and
Chartered Accountants
Singapore

Partner-in-charge: Nelson Chen

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

A. INTRODUCTION

The Unaudited Pro Forma Consolidated Financial Information has been prepared for inclusion in the prospectus (the "Prospectus") to be issued in connection with the proposed listing of Prime US REIT ("Prime US REIT") on the Singapore Exchange Securities Trading Limited (the "SGX-ST").

Prime US REIT is a Singapore REIT constituted pursuant to a Trust Deed dated 7 September 2018 made between KBS US Prime Property Management Pte. Ltd. (the "Manager") and DBS Trustee Limited (the "Trustee"). Prime US REIT is established with the investment strategy principally to invest, directly or indirectly, in a portfolio of stabilised income-producing office assets, and real estate-related assets, in the United States.

The Manager's key financial objectives are to provide unitholders of Prime US REIT ("Unitholders") with attractive total returns primarily driven by regular and stable distributions, while maintaining an appropriate capital structure and striving for sustainable growth in DPU and net asset value per Unit.

Prior to Prime US REIT's admission to the Official List of the SGX-ST, it will, through its subsidiaries in the U.S., acquire a portfolio of 11 office properties located in the U.S. with an aggregate net lettable area of over 3.4 million rentable square feet (the "Properties"). See "Business and Properties" section of the Prospectus for further details of the Properties. The acquisitions as described above are collectively referred to as the "Acquisitions."

Tower I at Emeryville, 222 Main, Village Center Station I, Village Center Station II, 101 South Hanley, Tower 909, Promenade I & II, CrossPoint, One Washingtonian Center, Reston Square and 171 17th Street (each, the "Property"), which will be held through wholly-owned subsidiaries of Prime US-Sub REIT, Inc., a real estate investment trust, incorporated in the U.S., and intermediate holding companies in Singapore and the U.S., are hereinafter collectively referred to as the "Properties."

In connection with the Acquisitions, Prime US REIT proposes to issue 335,203,200 new Units (the "Offering") at an offering price of US$0.88 per Unit (the "Offering Price"). The Offering consists of (i) an international placement of 318,442,200 Units to investors, outside the U.S. and (ii) an offering of no less than 16,761,000 Units to the public in Singapore.

The sponsor of Prime US REIT will be KAP (the "Sponsor"). Separate from the Offering, KBS REIT Properties III LLC has entered into subscription agreements to subscribe for an aggregate of 228,408,999 Units at the Offering Price.

In addition, concurrently with, but separate from the Offering, cornerstone investors have entered into conditional subscription agreements to subscribe for an aggregate of 360,251,800 Units (the "Cornerstone Units") at the Offering Price.

Details on the Manager's management fees, the Trustee's fee and the property management fees are set out in Section E.

B. BASIS OF PREPARATION OF PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The Unaudited Pro Forma Consolidated Financial Information set out in this report has been prepared for illustrative purposes only and based on certain assumptions, after making certain adjustments, and shows the Unaudited Pro Forma Consolidated Statement of Financial Position of Prime US REIT and its subsidiaries as of 31 December 2018, the Unaudited Pro Forma Consolidated Statements of Comprehensive Income of the Pro Forma Group for the years ended 31 December 2016, 31 December 2017 and 31 December 2018 and the Unaudited Pro Forma Consolidated Statement of Cash Flows of the Pro Forma Group for the year ended 31 December 2018.

The Unaudited Pro Forma Consolidated Statement of Financial Position as at 31 December 2018 reflects the financial position of the Pro Forma Group had it been in place and had the Acquisitions been completed on 31 December 2018, pursuant to the terms set out in the Prospectus.

The Unaudited Pro Forma Consolidated Statements of Comprehensive Income for the years ended 31 December 2016, 31 December 2017 and 31 December 2018 reflect the financial performance of the Pro Forma Group had it been in place and had the Acquisitions been completed on 1 January 2016, with the exception of Village Center Station II that was acquired by KBS Real Estate Investment Trust III, Inc. ("**KBS REIT III**") subsequent to 1 January 2016 as discussed below.

The Unaudited Pro Forma Consolidated Statement of Cash Flows for the year ended 31 December 2018 reflects the cash flows of the Pro Forma Group had it been in place and had the Acquisitions been completed on 1 January 2018, pursuant to the terms set out in the Prospectus.

The Unaudited Pro Forma Consolidated Statement of Financial Position, Unaudited Pro Forma Consolidated Statements of Comprehensive Income and Unaudited Pro Forma Consolidated Statement of Cash Flows (collectively, the "Unaudited Pro Forma Consolidated Financial Information") have been prepared on the basis of the accounting policies set out in Section D and is to be read in conjunction with Section E.

The objective of the Unaudited Pro Forma Consolidated Financial Information is to show what the financial position, financial performance and cash flows might have been, had the Pro Forma Group as described above existed at an earlier date. However, the Unaudited Pro Forma Consolidated Financial Information is not necessarily indicative of the financial position, financial performance and cash flows that would have been attained had the Pro Forma Group actually existed earlier. The Unaudited Pro Forma Consolidated Financial Information has been prepared for illustrative purposes only and, because of its nature, may not give a true picture of the Pro Forma Group's actual financial position, financial performance or cash flows.

The Unaudited Pro Forma Consolidated Financial Information of the Pro Forma Group has been compiled based on the unaudited divisional financial information of the Properties for the years ended 31 December 2016, 31 December 2017 and 31 December 2018. The unaudited financial information of the Properties for the years ended 31 December 2016, 31 December 2017 and 31 December 2018 are extracted from audited financial statements of KBS REIT III for the same relevant periods.

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

The audited financial statements of KBS REIT III for the years ended 31 December 2016, 31 December 2017 and 31 December 2018 were prepared in accordance with U.S. generally accepted accounting principles ("US GAAP") and were audited by Ernst & Young LLP, located in Irvine, California in accordance with the standards of the Public Company Accounting Oversight Board. The auditor's reports on these financial statements were not subjected to any qualifications, modifications or disclaimers.

Unaudited Pro Forma Consolidated Statement of Financial Position

The Unaudited Pro Forma Consolidated Statement of Financial Position as at 31 December 2018 has been prepared to reflect the financial position of the Pro Forma Group had it been in place and had the Acquisitions been completed on 31 December 2018, pursuant to the terms set out in the Prospectus.

In arriving at the Unaudited Pro Forma Consolidated Statement of Financial Position as at 31 December 2018, the following key assumptions were made:

- The Properties are acquired at an aggregated purchase consideration of US$1,226.5 million, inclusive of related transaction costs estimated at US$4.3 million, which was expensed as a fair value adjustment on investment properties as at 31 December 2018;

- Liabilities (comprising rental security deposits, rent received in advance, real estate taxes payables and tenancy obligations) directly attributable to the Properties, amounting to US$24.1 million as at 31 December 2018, were assumed by Prime US REIT with corresponding cash retained from the net purchase consideration;

- Proceeds raised from the Offering, the KBS Units and the Cornerstone Units amounted to US$813.0 million;

- Issuance costs relating to the Offering are estimated to be US$31.2 million and are assumed to be funded by the proceeds raised from the Offering;

- Proceeds raised from the issuance of Preferred Shares by a wholly-owned subsidiary amounted to US$0.1 million; and

- Borrowings of US$448.6 million, net of transaction costs of US$3.6 million, were drawn down by Prime US REIT on 31 December 2018 to partially fund the acquisition of the Properties.

Unaudited Pro Forma Consolidated Statements of Comprehensive Income

The Unaudited Pro Forma Consolidated Statements of Comprehensive Income have been prepared to reflect the financial performance of the Pro Forma Group had it been in place and had the Acquisitions been completed on 1 January 2016 pursuant to the terms set out in the Prospectus, with the exception of Village Center Station II that was acquired by KBS REIT III subsequent to 1 January 2016. Village Center Station II was assumed to be acquired by the Pro Forma Group on 11 October 2018, the date the property was acquired by KBS REIT III.

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

In arriving at the Unaudited Pro Forma Consolidated Statement of Comprehensive Income for each of the years ended presented, the following key adjustments and assumptions were made:

- Adjustments to reflect the recognition of straight-line rent as of the pro forma acquisition date of 1 January 2016 and the amortisation of lease incentives related to the Pro Forma Group for leases commencing on or after the pro forma acquisition date of 1 January 2016;

- The Manager's management fees, the Trustee's fee and the property management fees were computed based on the formula as set out in Section E. 80.0% of the Manager's base management fee are paid in the form of Units;

- No Manager's Performance Fee has been assumed for the financial year ended 31 December 2016 and 2017;

- Other trust expenses comprise of annual listing fee, registry fee, audit and tax fees, valuation fees, costs associated with the preparation and distribution of reports to Unitholders and miscellaneous expenses;

- Finance expenses comprise of interest expense incurred on borrowings and commitment fees, amortisation of debt-related transaction costs and dividends on Preferred Shares. It is assumed that (i) the borrowings would bear interest at an assumed weighted average interest rate of 3.45% per annum for 2016 and 2017 and 3.55% per annum for 2018; and (ii) the holders of the Preferred Shares would receive dividends at a rate of 12.5% per annum for all the years presented;

- Properties are acquired at an estimated aggregate purchase consideration of US$1,226.5 million, inclusive of related transaction costs estimated at US$4.3 million;

- Each Property was acquired on the purchase date that the wholly-owned subsidiaries of KBS REIT III acquired the Property. The purchase consideration, mortgage debt, transaction costs were allocated to each individual property based on the Property's individual valuation.

- Capital expenditures, tenant improvements and lease commissions incurred for the respective years are assumed to be capitalised as part of the value of the relevant Property. Capital expenditures, tenant improvements and lease commissions of US$16.3 million, US$18.2 million and US$25.2 million were assumed to be incurred on the Properties for the years ended 31 December 2016, 2017 and 2018, respectively;

- The aggregate valuation of the Properties remained unchanged throughout the years presented except to the extent of assumed capital expenditures, tenant improvements and lease commissions as described above;

- Acquisition expenses of US$3.8 million and US$0.5 million were expensed as a fair value adjustment on investment properties for the years ended 31 December 2016 and 2018, respectively;

- Tax expense comprises deferred tax expenses which relates to temporary differences recognised on investment properties and other tax; and

- 100.0% of distributable income to Unitholders is distributed. Distributions are paid on a semi-annual basis in arrears.

Unaudited Pro Forma Consolidated Statement of Cash Flows

The Unaudited Pro Forma Consolidated Statement of Cash Flows for the year ended 31 December 2018 has been prepared to reflect the cash flows of the Pro Forma Group had it been in place and had the Acquisitions been completed on 1 January 2018 or in the case of Village Center Station II, on 11 October 2018, pursuant to the terms set out in the Prospectus.

In arriving at the Unaudited Pro Forma Consolidated Statement of Cash Flows for the year ended 31 December 2018, the following key assumptions were made:

- On 1 January 2018, the Acquisitions were undertaken at an aggregated purchase consideration of US$1,226.5 million, inclusive of transaction costs estimated at US$4.3 million;

- Liabilities (comprising rental security deposits, rent received in advance, real estate taxes payables and tenancy obligations) directly attributable to the Properties, amounting to US$13.5 million as at 1 January 2018, were assumed by Prime US REIT with a corresponding cash retained from the net purchase consideration;

- Capital expenditures, tenant improvements and lease commissions incurred for the year are assumed to be capitalised as part of the value of the relevant Property and as such, would increase the value of Prime US REIT's Deposited Property. Capital expenditures, tenant improvements and lease commissions of US$25.2 million for the year ended 31 December 2018, were assumed to be incurred on the Properties subsequent to the Acquisitions;

- Acquisition expenses of US$4.3 million was expensed as a fair value adjustment on investment properties for the year ended 31 December 2018;

- Finance expenses comprise of interest expense incurred on borrowings and commitment fees, amortisation of debt-related transaction costs and dividends on Preferred Shares. It is assumed that (i) the borrowings on the term loan to fund the acquisition of the Properties, capital expenditures, lease commissions and tenant improvements would bear interest at an assumed weighted average interest rate of 3.45% per annum for 2016 and 2017 and 3.55% per annum for 2018; and (ii) the holders of the Preferred Shares would receive dividends at a rate of 12.5% per annum for all the years presented;

- Capital expenditures, tenant improvements and lease commissions of US$25.2 million for the year ended 31 December 2018, were funded with draws under the revolving credit facility;

- The Units issued to purchase the Properties is assumed to be on 1 January 2018;

- The Manager's Management Fees and the Trustee's fee were computed based on the formula as set out in Section E. 80.0% of the Manager's Base Fees for the year ended 31 December 2018 are paid in the form of Units;

- No Manager's Performance Fee has been assumed for the financial year ended 31 December 2018;

- Proceeds raised from the Offering, the KBS Units and the Cornerstone Units amounted to US$813.0 million;

- Proceeds raised from the issuance of Preferred Shares amounted to US$0.1 million;

- Issuance costs relating to the Offering are estimated to be US$31.2 million and are assumed to be funded by the proceeds raised from the Offering;

- The aggregate valuation of the Properties remained unchanged throughout the year presented except to the extent of the assumed capital expenditures, tenant improvement, lease commissions and leasing fees incurred as described above;

- No withholding tax is payable by the Pro Forma Group has been assumed for the financial year ended 31 December 2018; and

- 100.0% of the distributable income to the Unitholders is distributed for the year ended 31 December 2018. Distributions to Unitholders are paid on a semi-annual basis in arrears.

C. UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

Unaudited Pro Forma Consolidated Statement of Financial Position(1)

The Unaudited Pro Forma Consolidated Statements of Financial Position as at 31 December 2018 have been prepared for inclusion in the Prospectus and is presented below. Details of the pro forma assumptions made are set out in the Financial Information in Section B of the Prospectus.

	Note	As at 31 December 2018
		US$'000
Current Assets:		
Cash and cash equivalents	3	27,459
Prepaid expenses and other assets	4	629
Total current assets		**28,088**
Non-current Assets:		
Investment properties	5	1,222,150
Total non-current assets		**1,222,150**
Total assets		**1,250,238**
Current Liabilities:		
Accounts payable and accrued liabilities	8	17,231
Other liabilities	8	4,542
Total current liabilities		**21,773**
Non-current Liabilities:		
Loans and borrowings	6	448,558
Rental security deposits	8	2,315
Preferred shares	7	125
Total non-current liabilities		**450,998**
Total liabilities		**472,771**
Net assets attributable to Unitholders	9	**777,467**
Units in issue ('000)		923,864
Net asset value per Unit (US$)		0.84

Note:

(1) Based on the Offering Price of US$0.88 per Unit.

Unaudited Pro Forma Consolidated Statements of Comprehensive Income

The Unaudited Pro Forma Consolidated Statements of Comprehensive Income of the Pro Forma Group for the years ended 31 December 2016, 31 December 2017 and 31 December 2018 have been prepared for inclusion in the Prospectus and are presented below. Details of the pro forma adjustments and assumptions made are set out in the Basis of Preparation of Pro Forma Financial Information in Section B.

	Note	US GAAP	Adjustments	Unaudited Consolidated Statement of Comprehensive Income	Pro Forma Adjustments	Unaudited Pro Forma Consolidated Statement of Comprehensive Income
		US$'000	US$'000 (a)	US$'000	US$'000	US$'000
Year Ended 31 December 2016						
Revenue:						
Rental income	10	84,102	(1,042)	83,060	1,739(b)	84,799
Recoveries income	10	14,886	—	14,886	—	14,886
Other operating income	10	7,916	—	7,916	—	7,916
Gross Revenue		**106,904**	**(1,042)**	**105,862**	**1,739**	**107,601**
Expenses:						
Operating, maintenance, and management	11	(25,298)	(827)	(26,125)	735(c)	(25,390)
Real estate taxes and insurance		(13,583)	—	(13,583)	—	(13,583)
Property expenses		**(38,881)**	**(827)**	**(39,708)**	**735**	**(38,973)**
Net Property Income		**68,023**	**(1,869)**	**66,154**	**2,474**	**68,628**
Asset management fees to affiliate		(6,488)	—	(6,488)	6,488(d)	—
Manager's Base Fee		—	—	—	(4,229)(d)	(4,229)
Manager's Performance Fee		—	—	—	—	—
Trustee's fee		—	—	—	(244)(d)	(244)
General and administrative expenses	12	(78)	—	(78)	(3,422)(d)	(3,500)
Depreciation and amortisation		(42,645)	42,645	—	—	—
Finance expenses	13	(14,248)	—	(14,248)	(639)(e)	(14,887)
Net income before tax, fair value change in investment properties and other non-operating income		**4,564**	**40,776**	**45,340**	**428**	**45,768**
Finance income		7	—	7	—	7
Fair value change in investment properties		—	—	—	(12,429)(f)	(12,429)
Tax expense	14	—	—	—	(8,544)(g)	(8,544)
Net income after tax and fair value change in investment properties		**4,571**	**40,776**	**45,347**	**(20,545)**	**24,802**

Notes:

(a) Adjustments made to convert US GAAP to IFRS.

(b) Adjustments to reflect the recognition of straight-line rent and the amortisation of lease incentives beginning on the pro forma acquisition date of 1 January 2016.

(c) Adjustments to reflect the recognition of the amortisation of lease commission beginning on the pro forma acquisition date of 1 January 2016.

(d) Adjustments to eliminate the historical asset management fees and to include the Manager's Base Fee, the Trustee's fee, and other corporate-level expenses.

(e) Adjustments to reflect (i) the interest expenses, commitment fees and amortisation of upfront debt-related transaction costs on the new borrowings by the Pro Forma Group and (ii) dividends on the preferred shares.

(f) Adjustment to (i) recognise a fair value loss related to acquisition expenses and (ii) recognise a fair value change for the current period's effects of straight-line rent, lease incentive amortisation and amortisation of lease commission.

(g) Adjustments to recognise deferred tax expense related to temporary differences primarily arising from differences between the carrying amounts of investment properties for financial reporting purposes and the amounts for taxation purposes.

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

	Note	US GAAP	Adjustments	Unaudited Consolidated Statement of Comprehensive Income	Pro Forma Adjustments	Unaudited Pro Forma Consolidated Statement of Comprehensive Income
		US$'000	US$'000 [(a)]	US$'000	US$'000	US$'000
Year Ended 31 December 2017						
Revenue:						
Rental income	10	83,614	(710)	82,904	1,688[(b)]	84,592
Recoveries income	10	16,735	—	16,735	—	16,735
Other operating income	10	8,135	—	8,135	—	8,135
Gross Revenue		**108,484**	**(710)**	**107,774**	**1,688**	**109,462**
Expenses:						
Operating, maintenance, and management	11	(26,066)	(1,286)	(27,352)	790[(c)]	(26,562)
Real estate taxes and insurance		(14,885)	—	(14,885)	—	(14,885)
Property expenses		**(40,951)**	**(1,286)**	**(42,237)**	**790**	**(41,447)**
Net Property Income		**67,533**	**(1,996)**	**65,537**	**2,478**	**68,015**
Asset management fees to affiliate		(6,602)	—	(6,602)	6,602[(d)]	—
Manager's Base Fee		—	—	—	(4,516)[(d)]	(4,516)
Manager's Performance Fee		—	—	—	—	—
Trustee's fee		—	—	—	(244)[(d)]	(244)
General and administrative expenses	12	(39)	—	(39)	(3,461)[(d)]	(3,500)
Depreciation and amortisation		(41,760)	41,760	—	—	—
Finance expenses	13	(16,702)	—	(16,702)	1,255[(e)]	(15,447)
Net income before tax, fair value change in investment properties and other non-operating income		**2,430**	**39,764**	**42,194**	**2,114**	**44,308**
Finance income		5	—	5	—	5
Fair value change in investment properties		—	—	—	(4,560)[(f)]	(4,560)
Tax expense	14	—	—	—	(8,675)[(g)]	(8,675)
Net income after tax and fair value change in investment properties		**2,435**	**39,764**	**42,199**	**(11,121)**	**31,078**

Notes:

(a) Adjustments made to convert US GAAP to IFRS.

(b) Adjustments to reflect the recognition of straight-line rent and the amortisation of lease incentives beginning on the pro forma acquisition date of 1 January 2016.

(c) Adjustments to reflect the recognition of the amortisation of lease commission beginning on the pro forma acquisition date of 1 January 2016.

(d) Adjustments to eliminate the historical asset management fees and to include the Manager's Base Fee, the Trustee's fee, and other corporate-level expenses.

(e) Adjustments to reflect (i) the interest expenses, commitment fees and amortisation of upfront debt-related transaction costs on the new borrowings by the Pro Forma Group and (ii) dividends on the preferred shares.

(f) Adjustment to recognise a fair value change for the current period's effects of straight-line rent, lease incentive amortisation and amortisation of lease commission.

(g) Adjustments to recognise deferred tax expense related to temporary differences primarily arising from differences between the carrying amounts of investment properties for financial reporting purposes and the amounts for taxation purposes.

	Note	US GAAP	Adjustments	Unaudited Consolidated Statement of Comprehensive Income	Pro Forma Adjustments	Unaudited Pro Forma Consolidated Statement of Comprehensive Income
		US$'000	US$'000 (a)	US$'000	US$'000	US$'000
Year Ended 31 December 2018						
Revenue:						
Rental income	10	90,325	(817)	89,508	1,421[(b)]	90,929
Recoveries income	10	18,344	188	18,532	—	18,532
Other operating income	10	8,993	—	8,993	—	8,993
Gross Revenue		**117,662**	**(629)**	**117,033**	**1,421**	**118,454**
Expenses:						
Operating, maintenance, and management	11	(27,681)	(1,761)	(29,442)	777[(c)]	(28,665)
Real estate taxes and insurance		(15,252)	(188)	(15,440)	—	(15,440)
Property expenses		**(42,933)**	**(1,949)**	**(44,882)**	**777**	**(44,105)**
Net Property Income		**74,729**	**(2,578)**	**72,151**	**2,198**	**74,349**
Asset management fees to affiliate		(6,962)	—	(6,962)	6,962[(d)]	—
Manager's Base Fee		—	—	—	(5,110)[(d)]	(5,110)
Manager's Performance Fee		—	—	—	(1,089)[(d)]	(1,089)
Trustee's fee		—	—	—	(244)[(d)]	(244)
General and administrative expenses	12	(64)	—	(64)	(3,541)[(d)]	(3,605)
Depreciation and amortisation		(45,451)	45,451	—	—	—
Finance expenses	13	(20,138)	—	(20,138)	3,119[(e)]	(17,019)
Net income before tax, fair value change in investment properties and other non-operating income		**2,114**	**42,873**	**44,987**	**2,295**	**47,282**
Finance income		29	—	29	—	29
Fair value change in investment properties		—	—	—	(3,814)[(f)]	(3,814)
Tax expense	14	—	—	—	(5,455)[(g)]	(5,455)
Net income after tax and fair value change in investment properties		**2,143**	**42,873**	**45,016**	**(6,974)**	**38,042**

Notes:

(a) Adjustments made to convert US GAAP to IFRS.

(b) Adjustments to reflect the recognition of straight-line rent and the amortisation of lease incentives beginning on the pro forma acquisition date of 1 January 2016.

(c) Adjustments to reflect the recognition of the amortisation of lease commission beginning on the pro forma acquisition date of 1 January 2016.

(d) Adjustments to eliminate the historical asset management fees and to include the Manager's Base Fee, the Manager's Performance Fee, the Trustee's fee, and other corporate-level expenses.

(e) Adjustments to reflect (i) the interest expenses, commitment fees and amortisation of upfront debt-related transaction costs on the new borrowings by the Pro Forma Group and (ii) dividends on the preferred shares.

(f) Adjustment to (i) recognise a fair value loss related to acquisition expenses and (ii) recognise a fair value change for the current period's effects of straight-line rent, lease incentive amortisation and amortisation of lease commission.

(g) Adjustments to recognise deferred tax expense related to temporary differences primarily arising from differences between the carrying amounts of investment properties for financial reporting purposes and the amounts for taxation purposes.

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

Unaudited Pro Forma Consolidated Statement of Cash Flows

The Unaudited Pro Forma Consolidated Statement of Cash Flows for the year ended 31 December 2018 has been prepared for inclusion in the Prospectus and are presented below. Details of the pro forma adjustments and assumptions made are set out in the Basis of Preparation of Pro Forma Consolidated Financial Information set out in Section B.

	Year ended 31 December 2018
	US$'000
Cash flows from operating activities:	
Net income	35,707
Adjustments for:	
Straight-line rent and amortisation of lease incentives	(6,593)
Manager's fee paid/payable in Units	4,093
Finance expenses	16,877
Amortisation of lease commissions	195
Fair value change in investment properties	10,733
Changes in working capital:	
Rent and other receivables	(1,274)
Prepaid expenses and other assets	(268)
Accounts payable and accrued liabilities	(124)
Deferred tax	5,298
Other liabilities	601
Net cash flows generated from operating activities	**65,245**
Cash flows from investing activities:	
Acquisition of investment properties and related assets and liabilities	(1,209,822)
Additions to investment properties	(25,218)
Acquisition costs	(4,335)
Cash flows used in investing activities	**(1,239,375)**
Cash flows from financing activities:	
Proceeds from issuance of units	813,000
Payments of costs related to issuance of units	(31,198)
Proceeds from debt financings	452,196
Increase in borrowings for capital expenditures	25,218
Payment of debt related transaction costs	(3,638)
Proceeds from preferred shares	125
Finance expense paid	(14,854)
Distribution to unit holders	(25,164)
Cash flows generated from financing activities	**1,215,685**
Net increase in cash and cash equivalents	**41,555**
Cash and cash equivalents at beginning of the year	—
Cash and cash equivalents at end of the year	**41,555**

Note to the Unaudited Pro Forma Consolidated Statement of Cash Flows

The effects of acquisition of the Properties and related assets and liabilities on the Pro Forma Group's Unaudited Pro Forma Consolidated Statement of Cash Flows for the year ended 31 December 2018 are set out below:

	(US$'000)
Investment properties (including acquisition costs)	1,226,485
Prepaid expenses	1,172
Accounts payable and other payables	(5,150)
Rent received in advance	(5,962)
Security deposits	(2,388)
Net assets acquired	**1,214,157**
Cash purchase consideration	1,209,822
Acquisition costs	4,335
	1,214,157

Significant Non-Cash Transaction

During the year ended 31 December 2018, 4.7 million Units at US$0.88 per Unit (equivalent to amounting to US$4.1 million), were or would be issued as payment for the Manager's Base Fee.

See Section E for the relevant fee structure.

D. NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

1. BASIS OF PREPARATION

(a) Statement of compliance

The Unaudited Pro Forma Consolidated Financial Information is prepared in accordance with the basis set out in Section B and presented in accordance with International Financial Reporting Standards and the applicable requirements of the Code of Collective Investment Schemes ("CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Prime US REIT's Trust Deed.

The financial statements of the Pro Forma Group comprise Prime US REIT and its subsidiaries.

(b) Basis of measurement

The Unaudited Pro Forma Consolidated Financial Information is prepared on the historical cost basis except as disclosed in the accounting policies below.

(c) Functional and presentation currency

The financial information is presented in U.S. dollars ("US$") which is Prime US REIT's functional currency. All financial information presented in US$ has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgments

The preparation of the financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial information is included in:

- Note 5 – Investment properties and

- Note 14 – Tax expense

Valuation of investment properties

The Pro Forma Group carries its investment properties at fair value, with changes in fair values being recognised in profit or loss. The fair values of investment properties are determined by taking into consideration the acquisition value and the independent valuations conducted by independent real estate valuation experts. The independent real estate valuation experts use recognised valuation techniques which comprise both the Yield Method and the Discounted Cash Flow Method. The key assumptions used to determine the fair value of these investment properties are provided in Note 5.

Provision for taxation

Uncertainties exist with respect to the interpretation of complex tax regulations in the jurisdictions in which Prime US REIT operates, any potential changes to the Internal Revenue Code and the amount and timing of future taxable income. Given the span of tax regulations which may apply to the various taxable entities or persons within Prime US REIT, the cross-border and long-term nature and complexity of the contractual arrangements and the conditions to the tax rulings which have been obtained, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax provisions recorded or require new or additional tax provisions to be recorded. Prime US REIT establishes provisions, based on reasonable estimates, for anticipated tax liabilities or possible consequences of audits by the tax authorities of the respective jurisdictions in which it operates. The amount of such provisions is based on various factors, such as the experience from previous tax audits, differing interpretations of tax regulations between the taxable entity or person involved and the relevant tax authority and anticipated future changes in the tax laws that may have a direct impact on any tax ruling or favourable tax treatment relied upon. Such instances may arise on a wide variety of issues depending on the conditions prevailing in the domicile of the respective entity or person involved.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently throughout the years presented in this financial information, and have been applied consistently by the Pro Forma Group.

(a) Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Pro Forma Group.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Pro Forma Group incurs in connection with a business combination are expensed as a fair value adjustment to investment properties as incurred.

When the acquisition of an investment property does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based on their relative fair values. Acquisition-related costs are capitalised to the investment property at the time the acquisition is completed.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Pro Forma Group. The Pro Forma Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Prime US REIT.

(iii) Loss of control

When a change in the Pro Forma Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary, are derecognised. Amounts previously recognised in other comprehensive income or loss in respect of that entity are also reclassified to profit or loss or transferred to retained earnings.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date control is lost and its fair value is recognised in profit or loss.

(iv) Transactions eliminated on consolidation

Intra-group balances and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial information.

(b) Foreign currencies

(i) Foreign currency transactions

Items included in the financial statements of each entity in the Pro Forma Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the "functional currency"). The Manager has determined the currency of the primary economic environment in which the Pro Forma Group operates, i.e. the functional currency, to be the U.S. dollar.

Transactions in foreign currencies are translated to the respective functional currencies of the Pro Forma Group's entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at the reporting date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical costs are translated using the exchange rate at the date of the transaction. Foreign currency differences arising from translation are recognised in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations, including fair value adjustments arising from the acquisition, are translated to functional currency at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated to functional currency at exchange rates at the dates of the transactions.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is transferred to profit or loss as part of the gain or loss on disposal. When the Pro Forma Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation. These are recognised in other comprehensive income.

(c) Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation, or both. They are not for sale in the ordinary course of business, or used in the production or supply of goods or services, or for administrative purposes. Investment properties are measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss. Initial cost includes expenditures that are directly attributable to the acquisition of the investment properties. The Trust Deed requires the investment properties to be valued by independent registered valuers in such manner and frequency required under the Property Funds Appendix of the CIS Code issued by the MAS.

Investment properties are subject to renovations or improvements at regular intervals. The costs of major renovations and improvements are capitalised and the carrying amounts of the replaced components are written off to profit or loss. To the extent that lease commissions paid increase the future economic benefits of investment properties, they are capitalised as part of the assets.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and its carrying amount) is recognised in profit or loss when control is transferred to the buyer.

(d) Financial instruments

(i) Non-derivative financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Pro Forma Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Pro Forma Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Financial assets comprise loans, receivables, cash and cash equivalents and other receivables. Cash and cash equivalents comprise cash at bank.

Subsequent measurement

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(ii) ***Non-derivative financial liabilities***

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Pro Forma Group becomes a party to the contractual provisions of the financial instrument. The Pro Forma Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Other financial liabilities comprise other payables, security deposits and loans and borrowings.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

(iii) ***Preferred Shares***

Preferred Shares are classified as financial liabilities if they are redeemable on a specific date or at the option of the holders of such shares, or if dividend payments are not discretionary. Non-discretionary dividends thereon are recognised as finance expenses in profit or loss as accrued.

(iv) ***Derivative financial instruments***

The Pro Forma Group may hold derivative financial instruments to hedge its interest rate risk exposures.

Derivatives are recognised initially at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in profit or loss.

(v) ***Net assets attributable to Unitholders***

Net assets attributable to Unitholders are classified as equity.

Issuance costs relate to expenses incurred in connection with the issue of Units. The expenses are deducted directly against net assets attributable to Unitholders.

(e) Impairment of financial assets

The Pro Forma Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Pro Forma Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Pro Forma Group applies a simplified approach in calculating ECLs. Therefore, the Pro Forma Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Pro Forma Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Pro Forma Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Pro Forma Group may also consider a financial asset to be in default when internal or external information indicates that the Pro Forma Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Pro Forma Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(f) Leases

Leases where the Pro Forma Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases.

(g) Levies

A provision for levies is recognised when the activity that triggers the payment of the levy as specified in the relevant legislation occurs. A levy obligation is accrued ratably over the reporting period if the activity that triggers payment occurs over the period in accordance with relevant legislation. If a levy obligation is subject to a minimum activity threshold so that the obligating event is reaching a minimum activity, then a provision is recognised when that minimum activity threshold is reached.

(h) Revenue recognition

Rental income

Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term and is included in revenue in profit or loss due to its operating nature. The difference between revenue recognised and the contractual cash received is included in the carrying value of the investment property and subsequently adjusted to fair value change in investment properties recognised in profit or loss. Tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease. Lease incentives are included in the carrying value of the investment property and subsequently adjusted to fair value change in investment properties recognised in profit or loss.

Rental income also includes lease cancellation fees. Lease cancellation fees are recognised as revenue once an agreement is reached with the tenant to terminate the lease and the collectability is reasonably assured.

Recoveries income

Reimbursements from tenants are recognised as recoveries income in the period in which the applicable costs are incurred.

Other operating income

Other operating income comprising car park income and other non-rental income are recognised as services are provided and performance obligations are satisfied. Car park income consists of contractual and transient car park income, which are recognised upon utilisation of parking facilities. In addition, car park income paid by tenants represents the right to park in pre-determined parking stalls on certain tenant leases.

(i) Finance expenses

Finance expenses comprise interest expense on borrowings and commitment fees on credit facilities, amortisation of debt-related transaction costs incurred on the borrowings and dividends on preferred shares that are recognised in profit or loss. Borrowing costs are recognised in profit or loss using the effective interest method.

(j) Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- the temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and

- temporary differences related to investments in subsidiaries to the extent that the Pro Forma Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Pro Forma Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. The carrying amount of the investment properties will be recovered through sale or use. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Pro Forma Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Pro Forma Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Pro Forma Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

(k) Segment reporting

An operating segment is a component of the Pro Forma Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Pro Forma Group's other components. The Pro Forma Group's investment properties are primarily commercial office properties and are located in the U.S. Therefore, the directors consider that the Pro Forma Group operates within a single business segment and within a single geographical segment in the U.S. Accordingly, no segment information has been presented in this financial information.

(l) New Standards issued but not yet effective

IFRS 16 – Leases

IFRS 16 requires lessees to recognise for most leases, a liability to pay rentals with a corresponding asset, and recognise interest expense and depreciation separately. The new standard is effective for annual periods beginning on or after 1 January 2019. The Manager plans to adopt the new standard on the required effective date and does not expect the adoption of this standard to have a material impact to the financial statements.

3. CASH AND CASH EQUIVALENTS

	As at 31 December 2018
	US$'000
Cash at bank	27,459

Included in cash and cash equivalents is an amount of approximately US$24.1 million as of 31 December 2018, set aside to settle real estate taxes payable, accrued expenses and tenancy obligations as disclosed in Note 8.

4. PREPAID EXPENSES AND OTHER ASSETS

	As at 31 December 2018
	US$'000
Prepaid expenses	171
Other assets	458
Prepaid expenses and other assets	**629**

5. INVESTMENT PROPERTIES

	As at 31 December 2018
	US$'000
Investment properties, at acquisition value	1,222,150

(a) Investment properties comprise office spaces which are leased to external customers. The remaining lease terms range from less than 1 year to 14.7 years at 31 December 2018.

(b) The acquisition value of the investment properties have been determined after taking into consideration independent valuations of the investment properties performed as of 31 December 2018.

(c) The acquisition values of the investment properties are set out below:

Property	Description and Location	Tenure of Land	US$'000
Tower I at Emeryville	12-storey Class A office building located in Emeryville, CA	Freehold	121,100
222 Main	21-storey Class A office building located in Salt Lake City, UT	Freehold	211,250
Village Center Station I	9-storey Class A office building located in Greenwood Village, CO	Freehold	89,150
Village Center Station II	12-storey Class A office building located in Greenwood Village, CO	Freehold	144,550
101 South Hanley	19-storey Class A office building located in St. Louis, MO	Freehold	79,700
Tower 909	19-storey Class A office building located in Irving, TX	Freehold	76,300
Promenade I & II	Two 4-storey Class A office buildings located in San Antonio, TX	Freehold	72,800
CrossPoint	4-storey Class A office building located in Wayne, PA	Freehold	97,700
One Washingtonian Center	13-storey Class A office building located in Gaithersburg, MD	Freehold	102,100
Reston Square	6-storey Class A office building located in Reston, VA	Freehold	51,000
171 17th Street	22-storey Class A office building located in Atlanta, GA	Freehold	176,500
			1,222,150

(i) Valuation of investment properties

The independent appraisers have the appropriate professional qualifications and recent experience in the location and category of the properties being valued. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The fair values were generally calculated using the Income Approach. The two primary income approaches that may be used are the Discounted Cash Flow ("DCF") and the Direct Capitalisation Method ("DCM"). DCF calculates the present values of future cash flows over a specified time period, including the potential proceeds of a deemed disposal, to determine the fair value. DCM determines value by applying a capitalisation rate to the property's stabilised net operating income, normally at the first year. Both the DCF and DCM approaches convert the earnings of a property into an estimate of value. The Market Transaction or Direct Comparison approach may also be used, which is based on sound considerations for similarity and comparability between properties that have recently been sold. Considerations may include geographic location, physical, legal, and revenue generating characteristics, market conditions and financing terms and conditions. The final step in the valuation process involves the reconciliation of the individual valuation techniques in relationship to their substantiation by market data, and the reliability and applicability of each valuation technique to the subject property.

The valuation methods used in determining the fair value involve certain estimates including those relating to discount rate, terminal capitalisation rate and capitalisation rate, which are unobservable. In relying on the valuation reports, the Manager has exercised its judgment and is satisfied that the valuation methods and estimates used are reflective of the current market conditions.

The fair value measurement for investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used.

When measuring the fair value of an asset or a liability, the Pro Forma Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: for unadjusted price quoted in active markets for identical assets or liabilities,

- Level 2: for inputs, other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices), and

- Level 3: for inputs that are based on unobservable market data. These unobservable inputs reflect the Pro Forma Group's own assumptions about the assumptions that market participants would use in pricing the asset or liability, and are developed based on the best information available in the circumstances (which might include the Pro Forma Group's own data).

If inputs of different levels are used to measure an asset's or liability's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement.

(ii) Level 3 fair value

The following table shows the range of key unobservable inputs used within the valuation reports:

Valuation technique	**Key unobservable inputs**	**Relationship between key unobservable inputs and fair value measurement**
Discounted cash flow approach	Discount rate of 6.50% – 8.50% Terminal capitalisation rate of 6.00% – 7.75%	Higher discount rate or terminal capitalisation rate would result in a lower fair value, while lower rates would result in a higher fair value.
Direct capitalisation method	Capitalisation rate of 5.75% – 7.50%	Higher capitalisation rate would result in a lower fair value, while lower rate would result in a higher fair value.
Market or direct comparison approach	Price per square foot of US$185 to US$580	Higher price per square foot would result in a higher fair value, while lower price per square foot would result in a lower fair value.

Key unobservable inputs

Key unobservable inputs correspond to:

- Discount rate, which reflects the risk-free rate, adjusted for a risk premium to reflect the increased risk of investing in the asset class.

- Terminal capitalisation rate, which reflects the uncertainty, functional/economic obsolescence and the risk associated with a future assumed sale of the investment properties.

- Capitalisation rate, which reflects the ratio of the property's net property income to its fair value.

- Price per square foot which takes into consideration comparable market prices, having adjustments made for any difference in the nature, location or condition of the specific property.

6. LOANS AND BORROWINGS

	As at 31 December 2018
	US$'000
Interest bearing bank borrowings	452,196
Less: Debt-related transaction costs	(3,638)
	448,558

As of the Listing Date, Prime US REIT is expected to have gross borrowings of US$452.2 million drawn down from the Loan Facilities. (See "Capitalisation and Indebtedness further details.)

7. PREFERRED SHARES

	As at 31 December 2018
	US$'000
Preferred Shares issued	125

Preferred Shares issued

An indirect subsidiary of the Trust will issue 125 Preferred Shares with a par value of US$1,000 per Preferred Share.

The Preferred Shares rank senior to all units of the indirect subsidiary. Each holder of the Preferred Shares is entitled to receive cumulative preferential cash dividends (recorded as finance expenses) at a rate of 12.5% per annum on the subscription price of US$1,000 per Preferred Share plus all accrued and unpaid dividends which is payable annually in arrears.

The Preferred Shares are not convertible into or exchangeable for any other property or securities of the subsidiary. The Board of Directors of the subsidiary may, in its sole and absolute discretion, cause the subsidiary to redeem units of the Preferred Shares at US$1,000 per unit plus all accrued and unpaid dividends.

The Preferred Shares have been classified as financial liabilities.

8. ACCRUED EXPENSES AND OTHER LIABILITIES

As at 31 December 2018, the total accrued expenses and other liabilities assumed and directly attributable to the properties amounted to US$24.1 million. These liabilities consist of rental security deposits, real estate taxes payable, prepaid rental income and tenancy obligations.

9. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

	As at 31 December 2018
	US$'000
Units in issue	813,000
Issuance costs	(31,198)
Accumulated losses	(4,335)
	777,467

The following represents the units in issue as at 31 December 2018:

	Number of units	
	'000	US$'000
Creation of new Prime US REIT Units arising from:		
○ Constitution	—[1]	—[1]
○ KBS Units	228,409	201,000
○ Cornerstone Units	360,252	317,021
○ The Offering	335,203	294,979
	923,864	**813,000**

Notes:

(1) Less than 1,000 Units and US$1,000.

10. GROSS REVENUE

	Year ended 31 December		
	2016	2017	2018
	US$'000	US$'000	US$'000
Rental income	84,799	84,592	90,929
Recoveries income	14,886	16,735	18,532
Other operating income	7,916	8,135	8,993
Gross Revenue	**107,601**	**109,462**	**118,454**

11. OPERATING, MAINTENANCE AND MANAGEMENT EXPENSES

	Year ended 31 December		
	2016	2017	2018
	US$'000	US$'000	US$'000
Utilities	6,395	6,463	6,527
Repairs & maintenance	4,913	5,220	5,507
Property management fees and expenses	4,758	4,879	5,221
Other operating expenses	9,324	10,000	11,410
	25,390	**26,562**	**28,665**

12. OTHER TRUST EXPENSES

Included in general and administrative expenses are the following other trust expenses:

	Year ended 31 December		
	2016	2017	2018
	US$'000	US$'000	US$'000
Audit fees	600	600	600
Compliance tax professional fees	500	500	500
Unit registry expense	200	200	200

13. FINANCE EXPENSES

	Year ended 31 December		
	2016	2017	2018
	US$'000	US$'000	US$'000
Interest expense on borrowings and commitment fees	14,221	14,781	16,353
Amortisation of debt related transaction costs	650	650	650
Dividends on preferred shares	16	16	16
	14,887	**15,447**	**17,019**

14. TAX EXPENSE

	Year ended 31 December		
	2016	2017	2018
	US$'000	US$'000	US$'000
Deferred tax			
Origination of temporary differences	8,544	8,675	5,455
	8,544	**8,675**	**5,455**
Reconciliation of effective tax rate			
Net income before tax	**33,346**	**39,753**	**43,497**
Income tax at 17%	5,670	6,759	7,395
Expenses not deductible for tax purposes	3,886	4,030	4,601
Tax exempt income	(7,268)	(7,268)	(7,268)
Effect of different tax rates arising from foreign jurisdiction	4,394	4,461	1,039
Others	1,862	693	(312)
	8,544	**8,675**	**5,455**

The Tax Cuts and Jobs Act (the "TCJA") was signed into law on 22 December 2017. The TCJA changed many aspects of U.S. corporate income taxation, including a reduction of the corporate income tax rate from 35% to 21%. Effective 1 January 2018, the corporate tax rate applicable to Prime US REIT is 21%.

15. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of the pro forma financial information, parties are considered to be related to the Pro Forma Group if the Pro Forma Group has the direct and indirect ability to control the party, jointly control or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Pro Forma Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The following significant related party transactions were carried out in the normal course of business on terms agreed between the parties:

	Year ended 31 December		
	2016	2017	2018
	US$'000	US$'000	US$'000
Manager's Base Fee	4,229	4,516	5,110
Manager's Performance Fee	—	—	1,089
Trustee's Fee	244	244	244
	4,473	**4,760**	**6,443**

16. FINANCIAL RISK MANAGEMENT

The Pro Forma Group's activities expose it to credit risk, liquidity risk, market risk and interest rate risk in the normal course of its business. The Pro Forma Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Pro Forma Group's financial performance.

The Board of Directors ("BOD") of the Manager is responsible for setting the objectives and underlying principles of financial risk management for the Pro Forma Group. This is supported by comprehensive internal processes and procedures which are formalised in the Manager's organisational and reporting structure, operating manuals and delegation of authority guidelines.

Credit risk

Credit risk is the risk of financial loss to the Pro Forma Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Pro Forma Group's receivables from customers. In addition, tenants may experience financial difficulty and are unable to fulfil their lease commitments or tenants may fail to occupy and pay rent in accordance with lease agreements. The Pro Forma Group mitigates credit risk through staggered lease maturities, diversification of revenue sources by ensuring no individual tenant contributes a significant percentage of Prime US REIT's gross revenue and obtaining security deposits from the tenants.

Derivatives are only entered into with banks and financial counterparties with sound credit ratings.

Cash is placed with financial institutions which are regulated.

The Pro Forma Group believes that there is little credit risk inherent in the Pro Forma Group's loan and receivables, based on historical payment behaviours and the security deposits held. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position.

Liquidity risk

Liquidity risk is the risk that the Pro Forma Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Manager monitors the liquidity risk of the Pro Forma Group and maintains a level of cash deemed adequate to finance its operations and to mitigate the effects of fluctuations in cash flows. The Manager also monitors and observes the CIS Code issued by the MAS concerning limits on total borrowings.

The following are the contractual maturities of financial liabilities including interest payments:

	Carrying amount	Total	Within 1 year	Between 2 to 5	More than 5 years
	US$'000	US$'000	US$'000	US$'000	US$'000
As at 31 December 2018					
Non-derivative financial liabilities[(1)]	452,196	545,171	15,601	402,992	126,578
Security deposits	2,315	2,315	—	1,664	651
Accrued expenses and other liabilities	21,773	21,773	21,773	—	—
	476,284	**569,259**	**37,374**	**404,656**	**127,229**

Notes:

(1) Excludes cash dividend payable on the Preferred Shares. Contractual cash flows arising from cash dividends on Preferred Shares amount to US$16,000 per annum, as disclosed in Note 7.

Accounting classifications

The carrying amounts of financial assets and financial liabilities are as follows:

	Financial assets carried at amortised cost	Financial liabilities measured at amortised cost	Total
	US$'000	US$'000	US$'000
31 December 2018			
Cash and cash equivalents	27,459	—	27,459

	Financial assets carried at amortised cost	Financial liabilities measured at amortised cost	Total
	US$'000	US$'000	US$'000
31 December 2018			
Loans and borrowings	—	448,558	448,558
Security deposits	—	2,315	2,315
Preferred shares	—	125	125
Accrued expenses and other liabilities	—	21,773	21,773
	—	**472,771**	**472,771**

Market risk

(i) Currency risk

Currency risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Pro Forma Group's business is not exposed to significant currency risk as the portfolio of properties are located in the U.S. and the cash flows from the operations of the properties are denominated in USD. The Pro Forma Group also borrows in the same currency as the assets in order to manage the foreign currency risk. Prime US REIT will receive USD distributions from the investment properties which will be passed to the Unitholders, either in USD or converted to SGD at the spot foreign exchange rate. Prime US REIT is exposed to fluctuations in the cross currency rates of the USD and SGD for operating expenses incurred in Singapore, which are not material. Where appropriate, based on the prevailing market conditions, the Pro Forma Group may adopt suitable hedging strategies to minimise any foreign exchange risk.

(ii) Interest rate risk

The Pro Forma Group's exposure to changes in interest rates relates primarily to interest bearing financial liabilities. The Manager will actively monitor and manage the Pro Forma Group's net exposure to interest rate risk through the use of interest rate hedging instruments and/or fixed rate borrowings, where applicable.

As at 31 December 2018, the Pro Forma Group is exposed to minimal interest rate risks as 81% of its variable rate borrowings are assumed to be hedged at a fixed interest rate and the fair value change in derivatives is assumed to be zero throughout the relevant periods.

Capital management

The Manager's objective when managing capital is to optimise Prime US REIT's capital structure within the borrowing limits set out in the CIS Code by the Monetary Authority of Singapore to fund future acquisitions and asset enhancement projects at Prime US REIT's properties. To maintain or achieve an optimal capital structure, the Manager may issue new units or source additional borrowing from both financial institutions and capital markets.

Prime US REIT has a policy to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Manager monitors the yield, which is defined as net property income from the property divided by the latest valuation for the property, on the properties acquired. The Manager also monitors the level of distributions made to Unitholders.

Prime US REIT seeks to maintain a balance between the higher returns that might be possible with higher level of borrowings and the advantages and security afforded by a sound capital position.

Prime US REIT is subject to the aggregate leverage limit as defined in the Property Funds Appendix. The Property Funds Appendix stipulates that the total borrowings and deferred payments (collectively, the "Aggregate Leverage") of a property fund should not exceed 45.0% of the fund's Deposited Property.

The Manager actively monitors the term of each loan facility, the weighted average cost of debt, and variable debt as a proportion of overall debt outstanding. The Manager also monitors the debt covenants on an ongoing basis and ensures there is sufficient cash available to make the payments under the loan agreement.

The aggregate leverage ratio is calculated as total borrowings divided by Deposited Property. The aggregate leverage ratio is approximately 37% as at 31 December 2018.

E. MANAGER'S MANAGEMENT FEES, TRUSTEE'S FEES, PROPERTY MANAGER FEES AND LEASING AGENT FEES

Unless defined in this report, abbreviations below shall have the meanings set out in the Glossary to the Prospectus.

(a) Manager's management fee

The Manager is entitled under the Trust Deed to management fees comprising the base fee and performance fee as follows:

(i) A Base Fee of 10% per annum of the Annual Distributable Income (calculated before accounting for the Base Fee and the Performance Fee); and

(ii) A Performance Fee of 25% per annum of the difference in DPU in a financial year with the DPU in the preceding financial year (calculated before accounting for the Performance Fee but after accounting for the Base Fee in each financial year) multiplied by the weighted average number of Units in issue for such financial year.

The Performance Fee is payable if the DPU in any financial year exceeds the DPU in the preceding financial year, notwithstanding that the DPU in such financial year where the Performance Fee is payable may be less than the DPU in any preceding financial year.

(b) Trustee's fees

Pursuant to Clause 15.4 of the Trust Deed, the Trustee's fee shall be charged on a scaled basis of up to 0.1% per annum of value of the Deposited Property, subject to a minimum amount of S$15,000 per month, excluding out-of-pocket expenses and GST. The actual fee payable will be determined between the Manager and the Trustee from time to time.

(c) Property management fees

Under the property management agreement in respect of each of the properties, the Property Manager will provide property management services and construction supervision services. The Property Manager is entitled to the following fees:

Property management fee and expenses

A monthly property management fee equal to a certain percentage of rent or gross revenues, as more specifically defined in each property management agreement. All the property managers are unrelated to the Sponsor.

Property management fees are assessed on a monthly basis and payable in arrears. The property management fees for the IPO Portfolio is charged based on gross revenue and ranges from 0.85% to 3.0% of the gross revenue except that for Village Center Station II, the property management fee is US$2,750 per month. The specific percentages of the property management fees are set out in each of the property management agreements.

Notwithstanding that under the property management agreements the property management fee is payable in cash and not Units, Clause 15.7 of the Trust Deed allows for the payment of property management fee in the form of cash and/or Units. Prime US REIT may, in the future, enter into new property management agreements that provide for the payment of property management fee in Units.

Construction supervision fee

Except for CrossPoint and Village Center Station II, the Property Managers are entitled to construction supervision fees in connection with providing construction management services for certain construction projects with respect to the Property managed by the Property Manager. All the Property Managers are independent third party service providers which are unrelated to the Sponsor.

Construction supervision fees are assessed as a percentage of the total cost of the applicable construction project with respect to the Properties, as more specifically set forth in each Property Management Agreement, construction management addendum to the Property Management Agreement or separate project management agreement for the Property, with the applicable percentage decreasing as the total cost of a construction project increases.

With respect to such construction supervision fees, the percentages typically range from 0% to 5% of the total cost of a construction project. The Manager who oversees the Property Managers will negotiate the amount of Construction supervision fees while taking into account the complexity and scale of the construction project. Most commonly, projects with construction costs over US$1,000,000 are negotiable and on a case by case basis such that each construction supervision fee is reasonable depending on the size and complexity of any given project. The Manager believes that the Construction supervision fees payable to the third party independent Property Managers are in line with market practice for property managers in the respective markets.

(d) Lease commissions

Under The Leasing Services Agreement in respect of the properties, the Leasing Agent will provide lease management services. The Leasing Agent is entitled to the following fees:

Leasing services commissions

Under the Leasing Services Agreements, the Leasing Agents, who are independent third-party service providers, are entitled to leasing services commissions, which are payable in cash.

Leasing services commissions for procuring leases with new tenants

The Leasing Agents are entitled to certain leasing services commissions for procuring leases with new tenants, and lease expansions which can range from US$2.00 per square foot per year of the lease term or 3.0% to 7.0% for the initial term of the lease.

Leasing services commissions for procuring lease renewals

The Leasing Agents are entitled to certain leasing services commissions for procuring leases renewals which can range from US$1.00 per square foot per year of the lease term or 2.0% to 7.0% for the initial term of the lease.

INDEPENDENT TAXATION REPORTS

The Board of Directors
KBS US Prime Property Management Pte. Ltd.
as Manager of Prime US REIT
1 Raffles Place
#40-01 One Raffles Place
Singapore 048616

DBS Trustee Limited
(in its capacity as trustee of Prime US REIT)
12 Marina Boulevard,
Marina Bay Financial Centre, Tower 3
Singapore 018982

8 July 2019

Dear Sirs

SINGAPORE TAXATION REPORT

This letter has been prepared at the request of KBS US Prime Property Management Pte. Ltd. (the "**Manager**") for inclusion in the Prospectus to be issued in relation to the initial public offering of units in Prime US REIT on the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

The purpose of this letter is to provide prospective purchasers ("**Unitholders**") of the units in Prime US REIT ("**Units**") with an overview of the Singapore income tax consequences of the acquisition, ownership and disposition of the Units. The information contained in this letter may be more relevant to Unitholders who acquire and hold the Units as long-term investment assets. Therefore, Unitholders who acquire and hold the Units for dealing or trading purposes should consult their own tax advisers concerning the tax consequences of the acquisition and holding of the Units based on their personal circumstances.

This letter does not constitute tax advice and does not attempt to describe comprehensively all the tax considerations that may be relevant to a decision to acquire, own or dispose of the Units. Unitholders should consult their own tax advisers concerning the tax consequences of their acquisition, holding and disposal of the Units based on their personal circumstances. In particular, Unitholders who are not Singapore tax residents are advised to consult their own tax advisers to take into account the tax implications under the tax laws of their respective countries of tax residence and the existence of any tax treaty, which their countries of tax residence may have with Singapore.

This letter is based on the Singapore income tax law and the relevant interpretation thereof current as at the date of this letter (all of which may be subject to change, possibly with retroactive effect).

Words and expressions in this letter have the same meaning as defined in the Prospectus. In addition, unless the context requires otherwise, words in the singular include the plural and the other way around and words of one gender include any gender.

Singapore Taxation of Trusts in General

Under the existing provisions of the SITA, the taxable income of a trust comprises:

(a) income accruing in or derived from Singapore (or deemed as such); and

(b) unless otherwise exempt, income derived from outside Singapore which is received in Singapore (or deemed as such).

The taxable income of a trust is ascertained in accordance with the provisions of the SITA, after deduction of all allowable expenses and any other allowances permitted under the SITA.

In practice, the taxable income of a trust, or part thereof, is taxed at the prevailing corporate rate of income tax in the hands of the trustee in the following circumstances:

(a) where the income is derived from any trade or business carried on by the trustee, in its capacity as the trustee of the trust;

(b) where the income is trust income to which the beneficiaries of the trust who are not resident in Singapore for Singapore income tax purposes are entitled; or

(c) where the income is trust income to which the beneficiaries of the trust are not entitled; and

any distribution made out of taxable income which has been assessed to tax on the trustee is treated as capital in nature and the beneficiaries will not be subject to further tax on such distribution.

Taxation of Prime US REIT

Prime US REIT is expected to derive dividends from Singapore Sub 1 and the Singapore Lending Subs (as defined below), and may derive gains from the sale of the shares in Singapore Sub 1 and/or the Singapore Lending Subs.

Tax Rulings

An application for the Tax Rulings was made based on the structure diagram of Prime US REIT as illustrated in "Overview – Structure of Prime US REIT" of this Prospectus and *inter alia*, the following representations and information:

(a) The Sponsor is working towards a proposed IPO of units in Prime US REIT on the SGX-ST.

(b) Prime US REIT will invest in immovable properties situated in the U.S. through its wholly-owned subsidiaries, Singapore Sub 1 and Singapore Sub 2. Prime US REIT will inject capital into Singapore Sub 1 and Singapore Sub 2 with the proceeds from its IPO.

(c) Singapore Sub 1 will contribute the equity funding from Prime US REIT to the Parent U.S. REIT in U.S. dollars in exchange for 100% of the voting common stock in the Parent U.S. REIT.

(d) For acquisition of the IPO portfolio, Singapore Sub 2 will inject the equity funding from Prime US REIT to subscribe for a Note issued by the Parent U.S. REIT.

(e) Subsequent to the IPO, separate wholly-owned subsidiaries of Prime US REIT will be incorporated and will each invest in a Note that is issued by the Parent U.S. REIT or provide a single Loan to the Parent U.S. REIT. (Each of Singapore Sub 2 and such subsidiary shall be referred to as a "**Singapore Lending Sub**" individually or "**Singapore Lending Subs**" collectively.)

(f) Singapore Sub 1 and the Singapore Lending Subs will be Singapore incorporated companies and Singapore tax residents.

(g) Each Singapore Lending Sub is a passive lender investing in a Note issued by the Parent U.S. REIT or providing a Loan to the Parent U.S. REIT and holds no other investment asset or portfolio.

(h) The Singapore Lending Subs cannot dictate the amount of share capital to be injected by Prime US REIT. The Singapore Lending Subs cannot deploy the share capital injected by Prime US REIT for any other purpose other than providing a Loan to the Parent U.S. REIT or subscribing for a Note that is issued by the Parent U.S. REIT; and they do not have the freedom to invest the equity injected however they so please, other than extending the Loan / subscribing for the Note.

(i) The features and terms of the Loan / Note that may be provided / subscribed for by each Singapore Lending Sub are as follows:

  (i) each Loan / Note will be interest-bearing, arm's length and on market terms and conditions governed by U.S. laws;

  (ii) each Loan / Note may allow for the repayment of principal from time to time by the Parent U.S. REIT;

  (iii) the Parent U.S. REIT's debt-to-equity ratio will be determined on an arm's length basis according to the prevailing market conditions and applicable U.S. tax requirement;

  (iv) each Loan / Note will be governed by U.S. laws and denominated in U.S. dollars;

  (v) the amount of each Loan / subscription monies for each Note will be disbursed by each Singapore Lending Sub from its Offshore Account (as defined below) to the Parent U.S. REIT's Offshore Account;

  (vi) the interest rate and debt-to-equity ratio will be either (i) formulated by the manager of the Parent U.S. REIT in the U.S., for the approval of the Manager or (ii) formulated by the Manager. The Singapore Lending Subs will not be involved in the formulation of the debt-to-equity ratio;

  (vii) the relevant agreement for each Loan / Note may either be concluded electronically[1], or may be executed wholly outside Singapore by the authorised representatives of the relevant Singapore Lending Sub and the Parent U.S. REIT; and

  (viii) the Loan amount / subscription amount from each Loan / Note will be injected by the Parent U.S. REIT as capital contributions into its subsidiaries to derive distributions from its subsidiaries.

[1] The authorised signatory of the relevant Singapore Lending Sub will sign the agreement in Singapore whilst the authorised signatory of the Parent U.S. REIT will sign the agreement outside Singapore and the signature pages will be exchanged electronically to conclude the agreement.

(j) The Parent U.S. REIT will inject the equity contribution from Singapore Sub 1 and the proceeds from the Loan / subscription monies from the Note as provided by each Singapore Lending Sub as share capital / equity into a U.S. limited liability company ("**U.S. LLC**") and/or U.S. limited partnership ("**U.S. LP**") in exchange for 100% of the membership interest in the U.S. LLC / U.S. LP and such equity contribution received likewise being injected as share capital / equity into each U.S. LLC / U.S. LP at each level (including the property-owning U.S. LLCs / U.S. LPs) in exchange for 100% of the membership interest in the relevant U.S. LLC / U.S. LP.

(k) The Parent U.S. REIT will be a U.S. corporation incorporated in the State of Delaware electing to be treated as a U.S. REIT for U.S. federal income tax purposes. The Parent U.S. REIT will be taxable in the U.S. on the profits of the U.S. LLC / U.S. LP.

(l) Each U.S. LLC / U.S. LP uses the share capital / equity contributed by the Parent U.S. REIT to (directly or indirectly) acquire U.S. immovable property and to fund its operations. The operational currency of each U.S. LLC / U.S. LP will be U.S. dollars. One or more of the U.S. LLCs / U.S. LPs may obtain third party financing in the U.S. to help fund the (direct or indirect) acquisition of a U.S. property.

(m) The U.S. LLC / U.S. LP is expected to be treated as an entity disregarded as separate from the Parent U.S. REIT for U.S. federal income tax purposes, for so long as the Parent U.S. REIT is the (direct or indirect) sole member of a U.S. LLC / U.S. LP. Accordingly, all income, gains, costs and expenses of each of the U.S. LLC / U.S. LP will be treated as income, gains, costs and expenses of the Parent U.S. REIT for tax purposes.

(n) Each of Prime US REIT, Singapore Sub 1, Singapore Lending Sub, the Parent U.S. REIT, U.S. LLCs and U.S. LPs will have at least one U.S. dollar bank account maintained outside Singapore (each an "**Offshore Account**").

(o) The distributions (including capital distributions and the principal repayment for the Loan / Note by the Parent U.S. REIT) by the Parent U.S. REIT, Singapore Sub 1, Singapore Lending Sub as well as the payment of interest on the Loan / Note by the Parent U.S. REIT to Singapore Lending Sub will be made from the Offshore Account of the contributing party to the Offshore Account of the recipient.

(p) To the extent that a Singapore Lending Sub requires the use of any portion of the interest paid by the Parent U.S. REIT (for example, to defray operating expenses), Singapore Lending Sub will remit such portion of the interest as necessary from its Offshore Account into its bank account in Singapore (the "**Remitted Interest**").

(q) The Manager will arrange for the amount to be distributed (including capital proceeds returned by Singapore Sub 1 and/or Singapore Lending Sub) to be transferred from the Offshore Account of Prime US REIT to the CDP's account in Singapore. The CDP will then facilitate the distribution to the Unitholders accordingly. Prime US REIT may also remit a portion of the dividends from Singapore Sub 1 and/or Singapore Lending Sub into its bank account in Singapore to defray the operating expenses of Prime US REIT.

Pursuant to the Tax Rulings, the IRAS confirmed that the following receipts will not be subject to tax in Singapore:

(a) interest on the Loan / Note (which the IRAS is prepared to treat as foreign-sourced) receivable by each Singapore Lending Sub from the Parent U.S. REIT (excluding any Remitted Interest);

(b) the foreign-sourced dividends receivable by Singapore Sub 1 from the Parent U.S. REIT. The tax exemption is provided under Section 13(8) of the SITA, subject to meeting the conditions in Section 13(9) of the SITA;

(c) the tax-exempt (one-tier) dividends receivable by Prime US REIT from Singapore Sub 1 and/or the Singapore Lending Sub(s);

(d) the capital proceeds receivable by Singapore Sub 1 from the Parent U.S. REIT on the redemption / return of share capital injected by Singapore Sub 1;

(e) the principal repayments on each Loan / Note receivable by each Singapore Lending Sub from the Parent U.S. REIT;

(f) the capital proceeds receivable by Prime US REIT from Singapore Sub 1 and/or the Singapore Lending Sub(s) on the redemption/return of share capital injected by Prime US REIT;

(g) the distributions receivable by the Unitholders from Prime US REIT, which is payable by Prime US REIT out of the tax-exempt (one-tier) dividend income from Singapore Sub 1 and/or the Singapore Lending Sub(s); and

(h) the distribution of capital proceeds receivable by the Unitholders from Prime US REIT, which are payable by Prime US REIT out of capital returned by Singapore Sub 1 and/or the Singapore Lending Sub(s).

Terms and conditions of the Tax Rulings

To the extent that the structure of Prime US REIT, the activities of the relevant entities in the Prime US REIT structure, the transaction and distribution flows and the key features of the new Notes / Loans to be issued / provided remain the same as those represented to the IRAS in the application for the Tax Rulings, the Tax Rulings will remain valid:

(a) in relation to subsequent Notes / Loans that may be issued / provided in relation to the acquisition of the IPO portfolio and in relation to the future acquisitions post-IPO; and

(b) for the duration or term that Prime US REIT is listed on the SGX-ST.

The Tax Rulings were made based on the IRAS' understanding that the steps to be taken in the proposed arrangements by the Sponsor and/or Manager will be in compliance with the applicable laws and regulations in the US.

The Tax Rulings were made based on facts presented to the IRAS in the application for the Tax Rulings and on the IRAS' current interpretation and application of the existing tax laws.

The Tax Rulings shall apply in relation to an arrangement as a ruling on a provision of the SITA only if the provision is expressly referred to in the Tax Rulings.

The Tax Rulings shall automatically not apply if:

(a) the arrangement is materially different from the arrangement identified in the application for the Tax Rulings;

(b) there was a material omission or misrepresentation in, or in connection with, the application for the Tax Rulings;

(c) an assumption about a future event or another matter that is material to the Tax Rulings, stated either in the Tax Rulings or in the application for the Tax Rulings, subsequently proves to be incorrect; or

(d) the IRAS stipulates a condition that is not satisfied.

In addition, where a provision of the SITA is repealed or amended, the Tax Rulings shall automatically not apply from the date of the repeal or amendment to the extent that the repeal or the amendment changes the way the provision applies in the Tax Rulings.

Further, the IRAS may at any time withdraw the Tax Rulings from such date specified, by notifying the Manager in writing of the withdrawal and the reasons therefor.

Dividends received by Prime US REIT from Singapore Sub 1 and/or the Singapore Lending Subs

Based on the Tax Rulings, IRAS has agreed that the tax exempt (one-tier) dividends receivable by Prime US REIT which will be paid by Singapore Sub 1 and/or the Singapore Lending Subs will not be subject to tax in Singapore.

Dividends paid by Singapore Sub 1 and/or the Singapore Lending Subs should be considered tax exempt (1-tier) dividends pursuant to Section 13(1)(za) of the SITA, provided Singapore Sub 1 and the Singapore Lending Subs are tax resident in Singapore. For the purposes of the SITA a company is considered to be tax resident of Singapore if the control and management of its business is exercised in Singapore.

Returns of capital received by Prime US REIT

Based on the Tax Rulings, IRAS has agreed that the returns of capital receivable by Prime US REIT (from Singapore Sub 1 and/or the Singapore Lending Subs in redeeming / returning share capital / equity injected by Prime US REIT) will not be subject to tax in Singapore.

Gains from the sale of shares of Singapore Sub 1 and/or the Singapore Lending Subs

Singapore does not impose tax on capital gains. Gains derived by Prime US REIT from the disposal of shares in Singapore Sub 1 and/or any Singapore Lending Subs that are capital in nature will not be subject to tax. However, such gains may be considered income in nature and subject to income tax if they arise from or are otherwise connected with the activities of a trade or business carried on in Singapore. Such gains may also be considered income in nature, even if they do not arise from an activity in the ordinary course of trade or business or an ordinary incident of some other business activity, if Prime US REIT did not intend to acquire and hold the shares in question as long-term investments. Whether any gain from the sale of any such shares is or is not derived from a trade or business has to be determined based on the totality of facts surrounding the acquisition, holding and disposal of the relevant shares.

In practice, should such gains be determined to be income and hence subject to income tax, the tax will be assessed on the Trustee, and in the event that the Trustee and the Manager exercise their discretion to make a distribution out of such gains assessed to tax directly on the Trustee, such distribution will not be further taxed and the Unitholders will not be able to claim a tax credit in respect of the tax paid at the Trustee level.

Taxation of Singapore Sub 1

Dividends from the Parent U.S. REIT

Based on the Tax Rulings, the IRAS has agreed that the dividend income for Singapore Sub 1 from the Parent U.S. REIT is tax exempt under Section 13(8) of the SITA subject to meeting the conditions in Section 13(9) of the SITA which are:

(a) the income is subject to tax of a similar character to income tax (by whatever name called) under the law of the territory from which the income is received;

(b) at the time the income is received in Singapore by the person tax resident in Singapore, the highest rate of tax of a similar character to income tax (by whatever name called) levied under the law of the territory from which the income is received on any gains or profits from any trade or business carried on by any company in that territory at that time is not less than 15%; and

(c) the Comptroller of Income Tax is satisfied that the tax exemption would be beneficial to the person tax resident in Singapore.

Gains from the disposal of the Parent U.S. REIT

Singapore does not impose tax on capital gains. Gains derived by Singapore Sub 1 from the disposal of shares in the Parent U.S. REIT that are capital in nature will not be subject to tax. However, such gains may be considered income in nature and subject to income tax if they arise from or are otherwise connected with the activities of a trade or business carried on in Singapore. Such gains may also be considered income in nature, even if they do not arise from an activity in the ordinary course of trade or business or an ordinary incident of some other business activity, if Singapore Sub 1 did not intend to acquire and hold the shares in question as long-term investments. Whether any gain from the sale of any such shares is or is not derived from a trade or business has to be determined based on the totality of facts surrounding the acquisition, holding and disposal of the relevant shares.

Capital Proceeds paid by the Parent U.S. REIT

Pursuant to the Tax Rulings, the IRAS had agreed that the capital proceeds paid by the Parent U.S. REIT to Singapore Sub 1 in redeeming/returning share capital injected by Singapore Sub 1 will not be subject to tax in Singapore.

Taxation of the Singapore Lending Subs

Interest income from the Parent U.S. REIT

Pursuant to the Tax Rulings, the IRAS is prepared to treat the interest income from the Loan / Note receivable by each Singapore Lending Sub from the Parent U.S. REIT as foreign-sourced. The interest income will therefore not be subject to tax in Singapore unless it is remitted or deemed remitted under Section 10(25) of the SITA.

Section 10(25) of the SITA states that the following amounts shall be deemed to be income received in Singapore from outside Singapore whether or not the source from which the income is derived has ceased:

(a) any amount from any income derived from outside Singapore which is remitted to, transmitted or brought into, Singapore;

(b) any amount from any income derived from outside Singapore which is applied in or towards satisfaction of any debt incurred in respect of a trade or business carried on in Singapore; and

(c) any amount from any income derived from outside Singapore which is applied to purchase any movable property which is brought into Singapore.

If the interest income is used by the Singapore Lending Subs to pay tax exempt (one-tier) dividends from the Singapore Lending Subs' Offshore Accounts directly into Prime US REIT's Offshore Account, this alone should not result in any deemed receipt or remittance of the interest into Singapore by the Singapore Lending Subs within the meaning of Section 10(25) of the SITA.

Principal repayments by the Parent U.S. REIT

Pursuant to the Tax Rulings, the IRAS had agreed that the principal repayments on the Loans / Notes by the Parent U.S. REIT to each Singapore Lending Sub will not be subject to tax in Singapore.

Taxation of Prime US REIT's Unitholders

Distributions out of tax exempt dividends

Tax exempt dividends should not form part of the statutory income of the Trustee of Prime US REIT and distributions made out of such non-taxable income should not be taxable in the hands of the Unitholders. Pursuant to the Tax Rulings, IRAS has agreed that the distributions receivable by the Unitholders of Prime US REIT (payable out of the tax-exempt (one-tier) dividend income from Singapore Sub 1 and/or the Singapore Lending Sub(s)) will not be subject to tax in Singapore.

Distributions out of capital gains

Capital gains should not form part of the statutory income of the Trustee of Prime US REIT and distributions made out of such non-taxable income should not be taxable in the hands of the Unitholders. Hence, distributions made out of gains or profits arising from a disposal of any property of Prime US REIT that have been determined to be capital gains should not be taxable in the hands of Unitholders.

Pursuant to the Tax Rulings, IRAS had agreed that the distribution of capital proceeds receivable by the Unitholders of Prime US REIT (which are payable by Prime US REIT out of the capital returned by Singapore Sub 1 and/or the Singapore Lending Sub(s)) will not be subject to tax in Singapore.

Gains from disposal of the Units

Singapore does not impose tax on capital gains. Therefore, gains on disposal of the Units that are capital in nature will not be subject to tax. However, such gains may be considered income in nature and subject to income tax if they arise from or are otherwise connected with the activities of a trade or business carried on in Singapore. Such gains may also be considered income in nature, even if they do not arise from an activity in the ordinary course of trade or business or an ordinary incident of some other business activity, if the Unitholder did not intend to acquire and hold the Units as long-term investments.

Whether any gain from the sale of any of the Units is or is not derived from a trade or business has to be determined based on the totality of facts surrounding the acquisition, holding and disposal of the Units. Because of this, Unitholders are advised to consult their own professional advisers on the Singapore tax consequences that may apply to their individual circumstances.

Yours faithfully

Lim Pek Bur
Partner
For and on behalf of
Allen & Gledhill LLP

US TAXATION REPORT

8 July 2019

The Board of Directors

KBS US Prime Property Management Pte. Ltd.

as Manager of Prime US REIT

1 Raffles Place,
#40-01 One Raffles Place,
Singapore 048616

Singapore 188024

DBS Trustee Limited (in its capacity as Trustee of Prime US REIT)

12 Marina Boulevard,
Marina Bay Financial Centre, Tower 3
Singapore 018982

Re: INDEPENDENT TAXATION REPORTS

Ladies and Gentlemen: This letter has been prepared at the request of KBS US Prime Property Management Pte. Ltd. (the "**Manager**") for inclusion in the Prospectus to be issued in relation to the initial public offering of units in Prime US REIT ("**Prime US REIT**") on the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). Words and expressions in this letter have the same meaning as defined in the Prospectus. In addition, words in the singular shall be held to include the plural and vice versa, and words of one gender shall be held to include the other gender as the context requires.

The purpose of this letter is to provide prospective purchasers ("**Unitholders**") of the units in Prime US REIT ("**Units**") with an overview of the US federal income tax consequences of the acquisition, ownership and disposition of the Units. The information contained in this letter is qualified in its entirety by applicable provisions of the United States Internal Revenue Code of 1986, as amended ("**IRC**"), relevant rules and regulations, and administrative and judicial interpretations of applicable IRC provisions and regulations, all of which are subject to change (including on a retroactive basis). The information contained in this letter is limited to investors who own Units as investment assets rather than as inventory or as property used in a trade or business. This letter does not discuss all aspects of US federal income taxation that may be relevant to a particular prospective investor in light of its particular circumstances and income tax situation and does not describe any estate, gift, state, local, non-US, or other tax consequences. Except as expressly stated below, this letter does not discuss tax consequences that might be relevant to a Unitholder that is subject to special rules under US federal income tax law or a Unitholder (i) that is a United States person; (ii) that has an office or a fixed place of business in the United States; (iii) that is an individual present in the United States for 183 days or more in a taxable year; or (iv) that is (a) a former citizen or long-term resident of the United States, (b) a foreign insurance company that is treated as holding Units in connection with its United States business, (c) a passive foreign investment company (as such term is defined in the IRC), (d) a corporation that accumulates earnings to avoid US federal income tax, or (e) an entity treated as a partnership for US federal income tax purposes.

The information contained in this letter is based on existing law. No assurance can be given that the relevant laws will not change. In preparing this letter, we have examined and are familiar with the Prospectus. In addition, we have examined such other documents, certificates, and records as we have deemed necessary or appropriate for the purpose of preparing this letter. We also assume that Prime US REIT and each of its direct and indirect subsidiaries will be owned, organized and operated in accordance with their respective organizational documents. With respect to all questions of fact on which our letter is based, we have assumed the initial and continuing truth, accuracy and completeness of the information set forth in the Prospectus. If any of the information in the Prospectus is inaccurate or incomplete for any reason, or if the transactions described in the Prospectus are consummated in a manner that is inconsistent with the manner contemplated therein, this letter may be adversely affected and may not be relied upon.

Prospective Unitholders should consult their own tax advisers or counsel as to the specific US tax consequences to them from the acquisition, ownership and disposition of Units, including the possible effects of changes in US or other tax laws, in particular with regard to Section 267A of the IRC and the accompanying Proposed Regulations (as discussed below and in the "Risk Factors" portion of the Prospectus). Any such changes, which could be retroactive, could have a significant, negative impact on the Unitholders, Prime US REIT, Singapore Sub 1, the Parent U.S. REIT, the Manager, and the direct and indirect owners of such entities and their affiliates.

US Federal Income Taxation of the Parent U.S. REIT

General

Parent U.S. REIT (as defined in the Prospectus) intends to make an election to be taxed as a real estate investment trust for US federal income tax purposes ("**US REIT**") under Sections 856 through 860 of the IRC commencing with its 2018 taxable year; and that election will continue in effect for subsequent taxable years, assuming continuing compliance with the then applicable qualification tests. The Parent U.S. REIT's qualification and taxation as a US REIT will depend upon its compliance on a continuing basis with various qualification tests imposed under the IRC and summarized below. If the Parent U.S. REIT fails to qualify as a US REIT in any year, it will be subject to US federal income taxation as if it were a corporation taxed under subchapter C of the IRC, or a C corporation. In this event, significant tax liabilities could be incurred, and the amount of cash available for distribution to Unitholders could be reduced or eliminated.

A US REIT is generally permitted to deduct dividends paid to its shareholders from its corporate income. As such, if the Parent U.S. REIT meets the tests described below, it will generally not be subject to US federal income tax on its net income distributed as dividends. Notwithstanding its US REIT election, the Parent U.S. REIT will be subject to US tax in certain circumstances, including but not limited to the following:

- The Parent U.S. REIT will be taxed at regular corporate rates on any undistributed "real estate investment trust taxable income" and any undistributed "net capital gains".

- If the Parent U.S. REIT has any net income from prohibited transactions (which are, in general, certain sales or other dispositions of property (other than foreclosure property) held primarily for sale to customers in the ordinary course of business), such income will be subject to a 100% penalty tax.

- If the Parent U.S. REIT fails to satisfy the 75% gross income test or the 95% gross income test discussed below, due to reasonable cause and not due to wilful neglect, but nonetheless maintains its qualification as a US REIT because of specified cure provisions, it will be subject to tax at a 100% rate on the greater of the amount by which it fails the 75% gross income test or the 95% gross income test, with adjustments, multiplied by a fraction intended to reflect its profitability.

- If the Parent U.S. REIT fails to satisfy the US REIT asset tests described below, due to reasonable cause and not due to wilful neglect, but nonetheless maintains its qualification as a US REIT because of specified cure provisions, it will be subject to a tax equal to the greater of US$50,000 or the highest corporate tax rate multiplied by the net income generated by the non-qualifying assets that caused it to fail the test.

- If the Parent U.S. REIT fails to satisfy any provision of the IRC that would result in its failure to qualify as a US REIT (other than violations of the US REIT gross income tests or violations of the US REIT asset tests described below), due to reasonable cause and not due to wilful neglect, it may retain its US REIT qualification but will be subject to a penalty of US$50,000 for each failure.

- If the Parent U.S. REIT does not distribute for any calendar year at least the sum of 85% of its REIT ordinary income for that year, 95% of its REIT capital gain net income for that year, and any undistributed taxable income from prior periods, it will be subject to a 4% non-deductible excise tax on the excess of the required distribution over the amounts actually distributed.

- A TRS is separately taxed on its net income as a C corporation. In addition, the Parent U.S. REIT will be subject to a 100% tax on the amount (if any) by which various charges and reimbursements between it and its TRSs (if any) are determined to be priced excessively in favour of Parent U.S. REIT rather than on arms' length bases.

In addition, the Parent U.S. REIT may be subject to state and local income or other taxation in various jurisdictions, and such treatment may differ from the US federal income tax treatment described herein.

Organization Requirements

Pursuant to Sections 856(a)(1) through (a)(6) of the IRC, in order to qualify as a US REIT, the Parent U.S. REIT must be a corporation, trust or association:

(1) that is managed by one or more trustees or directors;

(2) the beneficial ownership of which is evidenced by transferable shares or by transferable certificates of beneficial interest;

(3) that would be taxable, but for the US REIT provisions of the IRC, as a US domestic corporation;

(4) that is not a financial institution or an insurance company subject to special provisions of the IRC;

(5) the beneficial ownership of which is held by 100 or more persons; and

(6) that is not more than 50% in value owned, directly or indirectly, by five or fewer individuals (including natural persons and specified benefit plans, foundations, and charitable trusts).

The IRC provides that conditions (1) through (4) must be met during the entire taxable year, that condition (5) must be met during at least 335 days of a taxable year of 12 months, or during a proportionate part of a taxable year of less than 12 months, and that neither condition (5) nor (6) need to have been met during a company's first taxable year as a REIT. The Parent U.S. REIT will issue to more than 100 individuals (also known as the accommodation shareholders) preferred shares that are subject to transfer restrictions to ensure compliance with condition (5). These individuals will be unrelated to the Sponsor and to Prime US REIT. The preferred shares will be entitled to a fixed coupon but do not carry any voting rights. To help comply with condition (6), the Deed of Trust generally restricts transfers of Units that would otherwise result in concentrated ownership positions.

Income Tests

There are two gross income requirements for qualification as a US REIT under the IRC:

(1) At least 75% of a US REIT's gross income (excluding gross income from prohibited transactions and specified other items) for each taxable year must be derived directly or indirectly from investments relating to real property, including "rents from real property" as defined under Section 856 of the IRC, interest and gain from mortgages on real property, gain from the sale or other disposition of real property other than dealer property, or dividends and gain from shares in other US REITs. In addition, income attributable to the temporary investment of new capital is generally also qualifying income under the 75% gross income test if specified requirements are met; and

(2) At least 95% of a US REIT's gross income (excluding gross income from prohibited transactions and specified other items) for each taxable year must be derived from investments relating to real property that satisfy the 75% gross income test, dividends, interest, and gain from the sale or disposition of stock or securities.

These two gross income tests are complementary. The 75% gross income test ensures that most of the revenue of a US REIT is generated from real estate activities, while the 95% gross income test ensures that virtually all of the revenue of a US REIT is passive in nature (including income from real estate activities that satisfies the 75% gross income test).

In order for rents to qualify as "rents from real property", several requirements must be met:

- The amount of rent received generally must not be based on the income or profits of any person, but may be based on a fixed percentage or percentages of receipts or sales.

- A US REIT must not own 10.0% or more by vote or value of the tenant, whether directly or after application of attribution rules, except in the case of rent received by a US REIT from its TRS where (i) at least 90.0% of the leased space of a property is leased to tenants other than TRSs and 10.0% affiliated tenants, and (ii) the TRS's rent for space at that property is substantially comparable to the rents paid by non-affiliated tenants for comparable space at the property, or in other circumstances where the subject property is a qualified health care property or a qualified lodging facility.

- A US REIT must not furnish or render services other than "customary" services to the tenants of the property, except through an independent contractor from whom it derives no income or through its taxable REIT subsidiary, as defined in Section 856(l) of the IRC ("**TRS**"). TRSs are subsidiaries of US REITs that are generally permitted to undertake activities that the US REIT rules might prohibit a US REIT from performing directly. The Parent U.S. REIT may form one or more TRSs in order to perform non-customary services. A de minimis amount of non-customary services provided to tenants will not disqualify income as "rents from real property" so long as the value of the impermissible tenant services does not exceed 1% of the gross income from the property.

- If rent attributable to personal property leased in connection with a lease of real property is 15% or less of the total rent received under the lease, then the rent attributable to personal property will qualify as "rents from real property"; if this 15% threshold is exceeded, the rent attributable to personal property will not so qualify. The portion of rental income treated as attributable to personal property is determined according to the ratio of the fair market value of the personal property to the total fair market value of the real and personal property that is rented.

The Manager has represented that none of the rent received by the Parent U.S. REIT will be treated as based on the income or profits of any person, including tenants' payments of pass-through charges, such as the cost of utilities, property taxes, and similar items that may be calculated by reference to net expense or avoided expense of the Parent U.S. REIT. It is thus anticipated that substantially all of the revenue of the Parent U.S. REIT will consist of rental income from the Properties that will qualify as "rents from real property". As such, the Parent U.S. REIT is expected to satisfy the 75% and 95% gross income tests outlined above on a continuing basis beginning with its first taxable year for which it intends to qualify as a US REIT.

If the Parent U.S. REIT fails to satisfy one or both of the 75% gross income test or the 95% gross income test for any taxable year, it may nevertheless qualify as a US REIT for such year if it is entitled to relief under certain provisions of the IRC. As discussed above in "General," even if these relief provisions were to apply, a tax would be imposed to the extent of the infraction.

Asset Tests

At the close of each quarter of its taxable year, a US REIT must also satisfy five tests relating to the nature of its assets.

(1) At least 75% of the value of a US REIT's total assets must be represented by real estate assets (which includes ancillary personal property leased in connection with real property to the extent that the rents attributable to such personal property are treated as rents from real property in accordance with the rules described above), shares other in US REITs, cash and cash items, government securities, and temporary investments of new capital meeting specified requirements.

(2) Not more than 25% of the value of a US REIT's total assets may be represented by securities other than those in the 75% asset class.

(3) Not more than 20% of the value of a US REIT's total assets may be represented by stock or securities of one or more TRSs.

(4) Of the investments not included in the 75% asset class, the value of any one issuer's securities owned by a US REIT may not exceed 5% of the value of the US REIT's total assets, and a US REIT may not own more than 10% of the total voting power or 10% of the total value of one issuer's outstanding securities. The foregoing 5% and 10% limitations do not apply to the stock or other securities of another US REIT, or the equity or debt securities of a TRS.

(5) Not more than 25% of the value of a US REIT's total assets may be represented by "nonqualified publicly offered REIT debt instruments" as defined in Section 856(c)(5)(L)(ii) of the IRC.

The Parent U.S. REIT is expected to satisfy the above asset tests on a continuing basis beginning with its first taxable year for which it intends to qualify as a US REIT. If the Parent

U.S. REIT fails to satisfy any of the above asset tests, it may nevertheless qualify as a US REIT for such year if it is entitled to relief under certain provisions of the IRC. As discussed above in "General," even if these relief provisions were to apply, a tax would be imposed with respect to the excess net income generated by the non-qualifying assets that caused it to fail the test.

Annual Distribution Requirements

US REITs are required to make annual distributions other than capital gain dividends in an amount at least equal to the excess of:

(1) the sum of 90.0% of their "real estate investment trust taxable income" and 90.0% of their net income after tax, if any, from property received in foreclosure, over

(2) the amount by which their non-cash income exceeds 5.0% of their "real estate investment trust taxable income".

For these purposes, "real estate investment trust taxable income" is as defined under the IRC. The distributions must generally be paid in the taxable year to which they relate, or in the following taxable year if declared before the US REIT timely files its US federal income tax return for the earlier taxable year and if paid on or before the first regular distribution payment after that declaration. US REITs are subject to a 4% non-deductible excise tax to the extent they fail within a calendar year to distribute 85% of their ordinary income and 95% of their capital gain net income plus the excess, if any, of the "grossed up required distribution" for the preceding calendar year over the amount treated as distributed for that preceding calendar year.

If the Parent U.S. REIT does not have cash available for distribution, Singapore Sub 1 may receive a consent dividend in excess of any actual distribution of cash or other property that it receives from Parent U.S. REIT. A consent dividend will be treated for U.S. federal income tax purposes in all respects as a regular dividend paid by Parent U.S. REIT and received by Singapore Sub 1 except that no cash will be distributed in respect of the consent dividend. Following a consent dividend, the amount deemed distributed less any amounts withheld (as discussed below) will be treated as though it were contributed back to Parent U.S. REIT by Singapore Sub 1. Alternatively, the Parent U.S. REIT may borrow funds to satisfy the distribution requirements.

Failure to Qualify as a US REIT

If the Parent U.S. REIT fails to qualify for taxation as a US REIT in any taxable year and no relief provisions apply, it will be subject to US federal income tax on its taxable income at regular corporate rates, currently 21% as well as state income tax. Distributions in any year in which the Parent U.S. REIT fails to qualify as a US REIT will not be deductible by such entity, nor will they be required to be made. In such event, to the extent of current and accumulated earnings and profits, all distributions will be taxable as ordinary dividends. Unless entitled to relief under specific statutory provisions, a US REIT is disqualified from taxation as a US REIT under the IRC for the four taxable years following the year during which qualification was lost. Such disqualification would adversely affect Prime US REIT's ability to make distributions to Unitholders.

Other Tax Considerations

The Parent U.S. REIT may also be subject to income or property taxation by state or local jurisdictions. State and local tax consequences may not be comparable to the US federal income tax consequences discussed above.

US Federal Income Taxation of Unitholders on Disposition of Units

A Unitholder would generally realise gain or loss on the disposition of Units equal to the difference between the amount realised and the Unitholder's adjusted basis in its Units that are sold or exchanged. Gain realised on sale or other disposition of Units by a Unitholder that is not a US person ("**Non-US Unitholder**") will not be subject to US federal income taxation unless (i) the Non-US Unitholder's investment in the Units is effectively connected with its conduct of a trade or business in the United States (and, if provided by an applicable income tax treaty, is attributable to a permanent establishment or fixed base the Non-US Unitholder maintains in the United States), (ii) the Non-US Unitholder is an individual present in the United States for 183 days or more in the taxable year of the sale and other specified conditions are met, or (iii) the Non-US Unitholder is subject to US federal income tax pursuant to the provisions of the US tax law applicable to US expatriates.

If gain on the sale or other disposition of Units were subject to US federal income taxation, the gain would be taxed under applicable provisions of the IRC depending upon which of clauses (i), (ii) or (iii) of the preceding paragraph describes the Non-US Unitholder's situation. In addition, a corporate Non-US Unitholder may be subject to the branch profits tax under Section 884 of the IRC.

US Federal Income Taxation of Distributions from Parent U.S. REIT To Singapore Sub 1

A distribution by the Parent U.S. REIT to Singapore Sub 1 (which has filed an election to confirm its classification as a corporation for US federal income tax purposes) that is not attributable to gain from the sale or exchange of a United States real property interest and that is not designated as a capital gain dividend, including a deemed distribution such as a consent dividend, will be treated as an ordinary income dividend to the extent that it is made out of current or accumulated earnings and profits. A distribution of this type will generally be subject to US federal income tax and withholding at a rate of 30%. Because the Parent U.S. REIT cannot determine its current and accumulated earnings and profits until the end of its taxable year, withholding at the rate of 30% will generally be imposed on the gross amount of any distribution to Singapore Sub 1 that the Parent U.S. REIT makes and does not designate as a capital gain dividend. Notwithstanding any withholding, distributions in excess of Parent U.S. REIT's current and accumulated earnings and profits, should be generally be treated as a non-taxable return of capital to the extent that they do not exceed Singapore Sub 1's adjusted basis in its Parent U.S. REIT units, and the non-taxable return of capital will reduce the adjusted basis in those units. Singapore Sub 1 may seek a refund from the US Internal Revenue Service ("**IRS**") of amounts withheld on distributions to it in excess of the Parent U.S. REIT's current and accumulated earnings and profits, provided that the applicable withholding agent has properly deposited the withheld tax with the IRS. The withholding rules under the Foreign Investment in Real Property Tax Act of 1980 will apply to the portion of any distribution that is a distribution in excess of basis treated as capital gain under Section 301(c)(3) of the Code.

For any year in which the Parent U.S. REIT qualifies as a US REIT, distributions that are attributable to gain from the sale or exchange of a United States real property interest as such term is defined in Section 897(c) of the IRC, will be taxed to Singapore Sub 1 as if these distributions were gains effectively connected with a trade or business in the United States conducted by Singapore Sub 1. Accordingly, Singapore Sub 1 (i) will be taxed on these amounts at the normal capital gain and other tax rates applicable to a US corporation, (ii) will be required to file a US federal income tax return reporting these amounts, even if applicable withholding is imposed as described below, and (iii) it may owe the 30% branch profits tax under Section 884 of the IRC in respect of these amounts. The 30% branch profits tax will generally not apply to distributions of proceeds from the sale of the equity of a property owning subsidiary of Parent U.S. REIT that has properly elected to itself be taxable as a US REIT (such subsidiary, a "**Sub-US REIT**"), provided however there can be no assurance such election will be effective. The Parent U.S. REIT will be required to withhold tax from distributions to Singapore Sub 1, and remit to the IRS, 21% of the maximum amount of any such distribution that could be designated as a capital gain dividend. The amount of any tax withheld will be creditable against Singapore Sub 1's US federal income tax liability, and Singapore Sub 1 may file for a refund from the IRS of any amount of withheld tax in excess of that tax liability, provided that the applicable withholding agent has properly deposited the withheld tax with the IRS.

Distributions by Prime US REIT to a Non-US Unitholder attributable to distributions received from Singapore Sub 1 will not be subject to US federal income taxation unless (i) the Non-US Unitholder's investment in the Units is effectively connected with its conduct of a trade or business in the United States (and, if provided by an applicable income tax treaty, is attributable to a permanent establishment or fixed base the Non-US Unitholder maintains in the United States) or (ii) the Non-US Unitholder is subject to US federal income tax pursuant to the provisions of the US tax law applicable to US expatriates.

US Federal Income Taxation of Interest Payments from the Parent U.S. REIT to the Singapore Sub 2

Considerations Affecting Unitholders

Singapore Sub 2 will be viewed as an entity disregarded as separate from Prime US REIT for US federal income tax purposes (pursuant to an entity classification election filed with the IRS). Interest payments to Singapore Sub 2 will generally therefore be treated as being received by Prime US REIT. As discussed below, Prime US REIT will be treated as a partnership for US federal income tax purposes. As such, for US federal income tax purposes, each Unitholder will generally be required to take into account for US federal income tax purposes its allocable share of interest payments from the Parent U.S. REIT.

Interest payments from the Parent U.S. REIT to Singapore Sub 2 attributable to the loan from Singapore Sub 2 should not be subject to US federal income tax or the 30% withholding requirement to the extent the interest qualifies as "portfolio interest". The interest should generally qualify as portfolio interest with respect to any Non-US Unitholder provided that (i) the beneficial owner does not actually or constructively own 10% or more of the total combined voting power of all classes of Units entitled to vote (and thus does not own 10% or more of the voting power of Parent U.S. REIT), (ii) the beneficial owner is not a controlled foreign corporation to which Parent U.S. REIT is a "related person" within the meaning of the IRC, (iii) the beneficial owner has timely provided a statement signed under penalties of perjury that includes its name and address and certifies that it is a Non-US Unitholder in compliance with applicable requirements, on an applicable IRS Form W-8. In addition to providing an IRS Form W-8, to avoid withholding on its share of interest payments, each Unitholder must timely provide Prime US REIT with additional signed certifications as outlined in the Prospectus.

Interest received that does not qualify as portfolio interest should generally be subject to US federal income tax and withholding at a rate of 30% (or a lower applicable tax treaty rate) unless received by Singapore Sub 2 in respect of (i) a Non-US Unitholder whose investment in the Units is effectively connected with its conduct of a trade or business in the United States or (ii) a Unitholder that is a US person. Such Unitholders will be subject to tax with respect to interest from the Parent U.S. REIT as ordinary income, and a corporate Non-US Unitholder may be subject to the branch profits tax under Section 884 of the IRC.

Considerations Affecting Parent U.S. REIT

There are limitations on the amount of deductible interest expense in numerous circumstances. For example, certain interest paid to related parties is not deductible under

Section 267A of the IRC and the accompanying Proposed Regulations, as described in more detail in the "Risk Factors" section of the Prospectus. Although the current structure is expected to be compliant with existing Section 267A of the IRC and the accompanying Proposed Regulations, final guidance is expected in the near future that could change such compliance, including on a retroactive basis. If the interest on the loans from Singapore Sub 2 were not fully deductible under Section 267A or otherwise, the Parent U.S. REIT would have to make more ordinary dividend distributions, and the distributions to the Unitholders would be negatively impacted to a significant extent. In addition, certain restructuring steps may be necessary in light of future guidance under Section 267A, and such restructuring may result in significant costs and/or impairment of the overall tax efficiency of the entire structure, all as described in the Risk Factors section of the Prospectus.

Section 163(j) of the IRC can limit interest deductions for certain entities. Such limits generally do not apply to an electing real property trade or business. It is expected that Parent U.S. REIT will qualify for, and make, such an election under the proposed Section 163(j) regulations, but final regulations remain forthcoming so there can be no assurance in this regard.

In addition, the loans from Singapore Sub 2 must be treated as debt for US tax purposes, and because Singapore Sub 2 and Parent U.S. REIT are under common control, the IRS could seek to reallocate gross income and deductions between Singapore Sub 2 and the Parent U.S. REIT if it determines that the rate of interest charged is not at arm's length. In order to prevent such reallocation, Parent U.S. REIT intends to comply with the transfer pricing regulations applicable to interest payable to Singapore Sub 2. In addition, Parent U.S. REIT intends to comply with current and proposed guidance to ensure that the loans from Singapore Sub 2 are respected as bona fide debt. The classification of an obligation as bona fide debt for US federal tax purposes is made under a complex set of rules and depends to a significant degree on the facts and circumstances. As a result, no assurance can be given that Parent U.S. REIT's efforts to ensure that the loans from Singapore Sub 2 are bona fide debt will be successful.

Classification of Prime US REIT as a Partnership for US Federal Income Tax Purposes

Although Prime US REIT is organised as a trust in Singapore, it has elected to be treated as a partnership for US federal income tax purposes. While publicly traded partnerships are generally taxable as corporations under applicable US tax rules, an exception exists with respect to publicly traded partnerships that would not be a regulated investment company were it organised as a US corporation and of which 90.0% or more of the gross income for every taxable year consists of "qualifying income." Qualifying income includes, among other things, income and gains derived from (i) interest (other than that from a financial business), (ii) dividends, (iii) the sale of real property and (iv) the sale or other disposition of capital assets that otherwise produce qualifying income. The Manager has represented that Prime US REIT expects it will meet both of these requirements and should therefore be taxable as a partnership.

Prime US REIT as a Withholding Foreign Partnership

Prime US REIT has entered into an agreement with the IRS to be a withholding foreign partnership ("**WFP**") for US federal income tax purposes. Under the agreement, Prime US REIT intends to assume primary withholding responsibility with respect to distributions it makes to Unitholders. The withholding partnership agreement expands the scope of payments for which Prime US REIT can act as a withholding partnership to reportable amounts. As a result, documentation collected by Prime US REIT from Non-US Unitholders is retained and does not get transferred by Prime US REIT to other funds, portfolio companies, up-stream withholding agents, or the IRS, and US tax reporting and compliance will thus be simplified.

As a WFP, Prime US REIT also must agree to assume certain obligations, including applying the appropriate US withholding tax amounts to all partners. The Parent U.S. REIT is expected to generally pay all interest to Singapore Sub 2 in the gross amount (that is, without reduction for any material US withholding taxes). Similarly, Singapore Sub 1 and Singapore Sub 2 are generally expected to distribute all dividends to Prime US REIT in the gross amount. Prime US REIT will then be required to apply the appropriate amount of withholding tax (if any) based on the type of income received and the specific makeup of the Unitholders. Prime US REIT may be liable for any under-withholding.

Certain US Tax Classification Elections

Prime US REIT intends to file IRS Form 8832 to be taxable as partnership for US federal income tax purposes. In addition, Singapore Sub 1 intends to file IRS Form 8832 to be treated as an association taxable as a corporation for U.S. federal income tax purposes. Singapore Sub 2 intends to file IRS Form 8832 to be treated as an entity disregarded as separate from its owner for U.S. federal income tax purposes.

FATCA

Non-United States financial institutions and other non-United States entities are subject to diligence and reporting requirements for purposes of identifying accounts and investments held directly or indirectly by United States persons. The failure to comply with these additional information reporting, certification and other requirements could result in a 30% withholding tax on applicable payments to non-United States persons. Pursuant to the Singapore IGA Legislation, CDP and CDP depository agents may be required to withhold 30 percent of the gross amount of "withholdable payments" (generally allocable shares of income and proceeds from the sale or other disposition of interests, as defined in the IRC) paid or deemed paid to a financial institution (as defined for FATCA purposes) outside the United States ("**FFI**") or to a nonfinancial foreign entity, unless (i) the FFI undertakes specified diligence and reporting obligations regarding ownership of its accounts by United States persons or (ii) the nonfinancial foreign entity either certifies that it does not have any substantial US owners or furnishes identifying information regarding each substantial US owner, respectively. FFIs located in jurisdictions that have an intergovernmental agreement with the United States with respect to these requirements may be subject to different rules. The foregoing withholding regime is now in effect for payments from sources within the United States but, according to recent administrative guidance, will apply to "foreign passthru payments" no earlier than 1 January 2019. On 13 December 2018, the Department of the Treasury and the IRS issued proposed regulations that, among other things, eliminated the obligation to withhold on gross proceeds from the sale of certain types of property and defer withholding on "foreign pass-thru payments" until two years after the effective date of the final U.S. treasury regulations defining the term "foreign pass-thru payment". Non-US Unitholders should consult with their tax adviser regarding foreign account tax compliance.

Partnership Information Returns and Audit Procedures

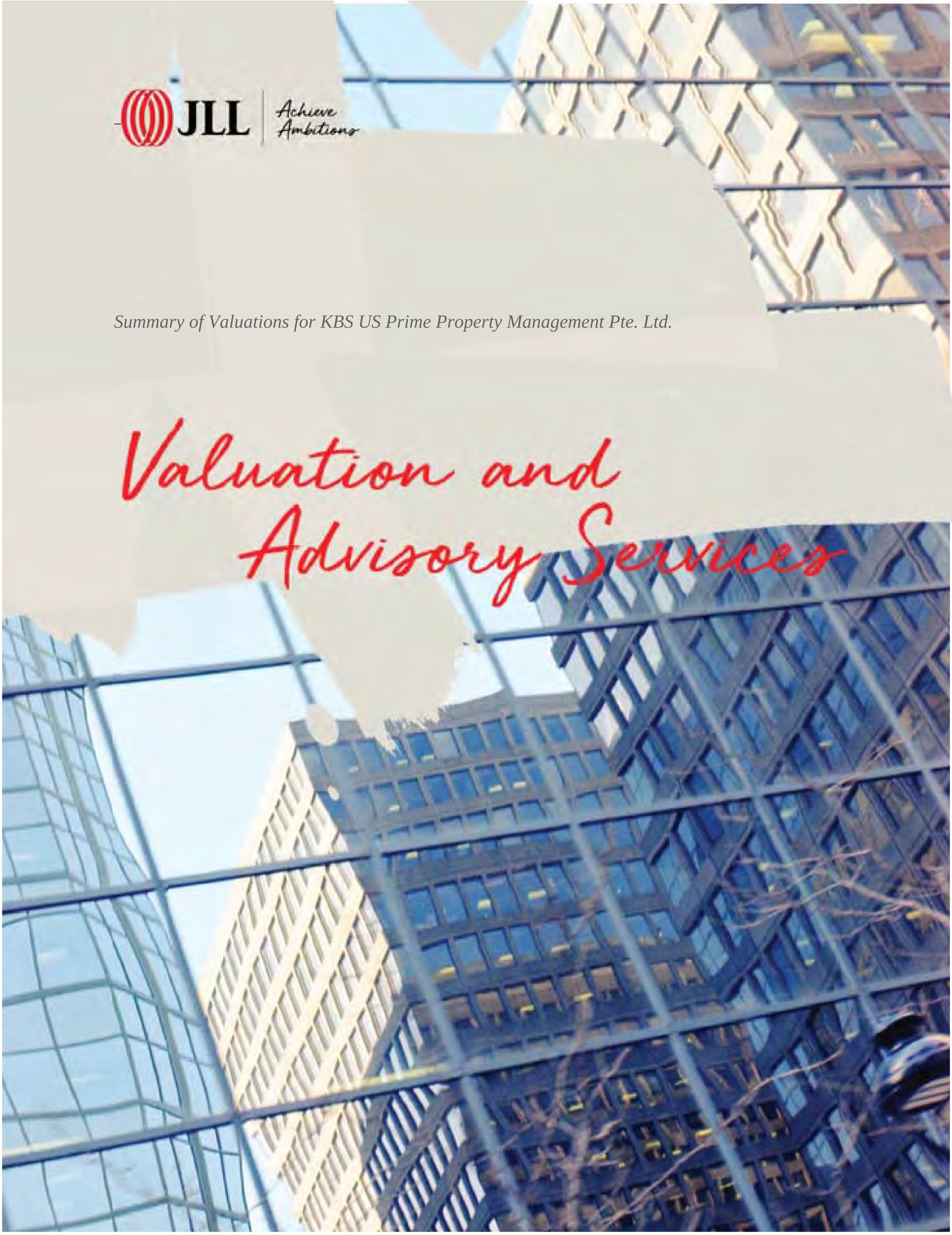
Prime US REIT intends to make available to each Unitholder that is a United States person, after the close of each taxable year, required tax information which sets forth each Unit's share of Prime US REIT's income, gain, loss and deduction for the preceding taxable year. The IRS may audit the US federal income tax information returns filed by Prime US REIT. Adjustments resulting from any such audit may require each partner to adjust a prior year's tax liability.

Prime US REIT intends to adopt newly issued audit procedures effective as of its date of formation. Under these procedures, if the IRS makes audit adjustments to Prime US REIT's income tax information returns, it may assess and collect any taxes (including any applicable penalties and interest) resulting from such audit adjustment directly from Prime US REIT. In some circumstances, instead of paying any taxes itself, Prime US REIT may elect to have any adjustments to its taxable income passed through to those persons who held Units during the tax year under audit in proportion to their unitholdings in Prime US REIT during the tax year under audit, but there can be no assurance that such election will be available or effective in all circumstances. If Prime US REIT does not or is unable to make this election, then the Unitholders at the time of the audit may bear some or all of the tax liability resulting from such audit adjustment, even if such Unitholders did not own Units during the tax year under audit. If, as a result of any such audit adjustments, Prime US REIT is required to make payments of taxes, penalties and interest, its cash available for distribution to Unitholders might be reduced.

Very truly yours

Robert J. LeDuc
Partner
DLA Piper LLP (US)

INDEPENDENT PROPERTY VALUATION SUMMARY REPORTS



May 8, 2019

KBS US Prime Property Management Pte. Ltd.
230 Victoria Street, #06-05A
Bugis Junction Towers
Singapore 188024

Re: Summary of Valuations for Prime US REIT (the "REIT")

Instructions

In accordance with the terms of engagement dated December 4, 2018 between JLL Valuation & Advisory Services, LLC ("JLL Valuation & Advisory") is KBS US Prime Property Management Pte. Ltd. (the "Agreement") have performed the appraisals of the Subject Properties (listed below), and have provided our opinions of their Market Value, as of December 31, 2018. This Summary of Valuations Report and the attached valuation certificates is a condensed version of our more expansive portfolio valuation reports January 9, 2019 to February 13, 2019 ("Portfolio Reports"). We recommend that this shortened Summary of Valuations Report and the attached valuation certificates be read in conjunction with the aforementioned Portfolio Reports.

This report and limiting assumptions are subject to the terms of the Agreement, including without limitation, Section 1.3 of Exhibit B of the Agreement, which states that "The parties agree that this Agreement and all obligations of each party hereunder are subject to applicable law. In the event of a conflict between the terms hereof and applicable law, the applicable law will govern and prevail.".

Subject Properties

The properties with certificates of value provided, herein referred to as ("Subject Properties") are as follows:

■ Tower I at Emeryville	1900 Powell Street, Emeryville, California 94608
■ 222 Main	222 S. Main Street, Salt Lake City, Utah 84101
■ Village Center Station I	6380 S. Fiddlers Green Circle, Greenwood Village, Colorado 80111
■ Village Center Station II	6360 S. Fiddlers Green Circle, Greenwood Village, Colorado 80111
■ 101 South Hanley	101 S. Hanley Road, St. Louis, Missouri 63105
■ Tower 909	909 Lake Carolyn Parkway, Irving, Texas 75039
■ Promenade I & II	17806 & 17802 IH-10 W, San Antonio, Texas 78257

- CrossPoint — 550 E. Swedesford Road, Wayne, Pennsylvania 19087
- One Washingtonian Center — 9801 Washingtonian Boulevard, Gaithersburg, Maryland 20878
- Reston Square — 11790 Sunrise Valley Drive, Reston, Virginia 20191
- 171 17th Street — 171 17th Street, Atlanta, Georgia 30363

A summary of the individual values and the total values for each property noted above are in the following chart along with the valuation methodologies utilized in appraising each asset.

Building Name	Valuation	Valuation Method
Tower 1 at Emeryville	$121,000,000	Income Capitalization and Sales Comparison Approach
222 Main	$210,500,000	Income Capitalization and Sales Comparison Approach
VCS I	$87,700,000	Income Capitalization and Sales Comparison Approach
VCS II	$142,600,000	Income Capitalization and Sales Comparison Approach
101 S Hanley	$80,300,000	Income Capitalization and Sales Comparison Approach
Tower 909	$76,400,000	Income Capitalization and Sales Comparison Approach
Promenade at Eilan	$73,600,000	Income Capitalization and Sales Comparison Approach
CrossPoint	$97,400,000	Income Capitalization and Sales Comparison Approach
OWC	$102,200,000	Income Capitalization and Sales Comparison Approach
Reston Square	$49,900,000	Income Capitalization and Sales Comparison Approach
171 17th Street	$173,000,000	Income Capitalization and Sales Comparison Approach
Total	$1,214,600,000	

Sales Comparison Approach

The sales comparison approach is most reliable in an active market when an adequate quantity and quality of comparable sales data are available. In addition, it is typically the most relevant method for owner-user properties because it directly considers the prices of alternative properties with similar utility for which potential buyers would be competing. The analysis and adjustment of the sales provides a reasonably narrow range of value indications. Nonetheless, it does not directly account for the income characteristics of the subject. Therefore, this approach is given secondary weight.

Income Approach

The income capitalization approach is usually given greatest weight when evaluating investment properties. The value indication from the income capitalization approach is supported by market data regarding income, expenses and required rates of return. An investor is the most likely purchaser of the appraised property, and a typical investor would place greatest reliance on the income capitalization approach. For these reasons, the income capitalization approach is given greatest weight in the conclusion of value.

Purpose of the Appraisal

The purpose of the appraisal is to develop an opinion of the market value as is of the leased fee interest in the Subject Properties. The effective dates of values of the Portfolio Reports are December 31, 2018. This report is valid only as of the stated effective date.

Intended Use and User

The intended use of the appraisal is for use in connection with an initial public offering (IPO) in Singapore and would be a document for inspection by the public, with a summary of the report to be included in the prospectus to be issued in connection with the IPO. However, only the referenced intended users may rely on the report. The client and intended user is KBS US Prime Property Management Pte. Ltd. (as Manager of KBS US SREIT), along with the Joint Bookrunners and Underwriters and their respective affiliates are the only identified Intended Users of the appraisals. The Joint Bookrunners and Underwriters include: DBS Bank Ltd., Citigroup Global Markets Singapore Pte. Ltd., Credit Suisse (Singapore) Limited, and Merrill Lynch (Singapore) Pte. Ltd. and may use or rely on the information, opinions, and conclusions contained in this report.

JLL Valuation & Advisory Services has performed appraisals and provided Portfolio Reports to the KBS US SREIT Management Pte. Ltd. (the "Manager") for the above referenced properties for purposes of inclusion in the prospectus of the REIT for its proposed initial public offering ("IPO"). We have prepared this Summary of Valuations Report for inclusion in the preliminary prospectus and final prospectus of the REIT and specifically disclaim liability to any person in the event of any omission from or false or misleading statement included in the Prospectus other than in respect of the information prepared within our Portfolio Reports, this Summary of Valuations Report or the valuation certificates attached. We do not make any warranty or representation as to the accuracy of the information in any other part of the Prospectus other than as expressly made or given by us in our Portfolio Reports, this Summary of Valuations Report or the valuation certificates attached.

Basis of Valuation

Our valuations of the properties represent market value. Market value is defined as:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."

(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

Scope of Work

The appraisers conducted interior and exterior inspection of the respective Subject Properties on various dates between December 12, 2018 and January 7, 2019. The type and extent of our research and analysis is detailed in individual Portfolio Reports. We have valued the individual Subject Properties via the Sales Comparison and the Income Capitalization Approaches to value. The value indication from the income capitalization approach is supported by market data regarding income, expenses and required rates of return. The income capitalization approach, specifically, the discounted cash flow (DCF) analysis is given greatest weight in the conclusion of values. The Sales Comparison Approach was given secondary weight in reconciliation in support of the Income Capitalization Approach.

We confirm that the valuations have been made to conform to the requirements of the following:

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute;
- Applicable state appraisal regulations.

We note that the opinions of value expressed in this report are based on estimates and forecasts that are prospective in nature and subject to considerable risk and uncertainty. Events may occur that could cause the performance of the property to differ materially from our estimates, such as changes in the economy, interest rates, capitalization rates, financial strength of tenants, and behavior of investors, lenders, and consumers. Additionally, our opinions and forecasts are based partly on data obtained from interviews and third party sources, which are not always completely reliable. Although we are of the opinion that our findings are reasonable based on available evidence, we are not responsible for the effects of future occurrences that cannot reasonably be foreseen at this time.

Your attention is directed to the Limiting Conditions and Assumptions section of this report. Acceptance of this report constitutes an agreement with these conditions and assumptions. Specific Extraordinary Assumptions and Hypothetical Conditions for each of the Subject Properties can be found in the Portfolio Reports.

Our valuation certificates are hereby enclosed for your attention.

Respectfully submitted,

Eric L. Enloe, MAI, CRE, FRICS
Managing Director
Certified General
MO Certificate #: 2002011017
GA Certificate #: 343700
CA Certificate #: AG044850
UT Certificate #: 8674128-CG00
PA Certificate #: GA003874
MD Certificate #: 31655
TX Certificate #: TX 1380314 G
VA Certificate #: 4001015229
CO Certificate #: CG.100046642

Limiting Conditions and Assumptions

1. The report represents an opinion of value, based on forecasts of net income such as are typically used in valuing income-producing properties. Actual results may vary from those forecast in the report. There is no guaranty or warranty that the opinion of value reflects the actual value of the property.
2. The conclusions stated in our report apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. JLL Valuation & Advisory is not obligated to predict future political, economic or social trends. JLL Valuation & Advisory assumes no responsibility for economic factors that may affect or alter the opinions in this report if said economic factors were not present as of the date of the letter of transmittal accompanying this report.
4. The reports reflects a valuation of the property free and clear of any or all liens or encumbrances unless otherwise stated.
5. Responsible ownership and competent property management are assumed.
6. All facts set forth in this report are true and accurate to the best of our knowledge. However, it should be noted that the appraisal process inherently requires information from a wide variety of sources. The information furnished by others is believed to be correct and complete and is up to date and can be relied upon, but no warranty is given for its accuracy. We do not accept responsibility for erroneous information provided by others. We assume that no information that has a material effect on our valuations has been withheld.
7. We do not normally read leases or documents of title. We assume, unless informed to the contrary, that each property has a good and marketable title, that all documentation is satisfactorily drawn and that there are no encumbrances, restrictions, easements or other adverse title conditions, which would have a material effect on the value of the interest under consideration, nor material litigation pending. Where we have been provided with documentation we recommend that reliance should not be placed on our interpretation without verification by your lawyers. We have assumed that all information provided by the client, or its agents, is correct, up to date and can be relied upon.
8. We are not responsible for considerations requiring expertise in other fields, including but not limited to: legal descriptions and other legal matters, geologic considerations such as soils and seismic stability, engineering, or environmental and toxic contaminants.
9. All engineering studies are assumed to be correct. The plot plans and illustrative material in this report are included only to help the reader visualize the property.
10. It is assumed that there are no hidden or unapparent conditions of the property, subsoil or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.

11. It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the report. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
12. Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by JLL Valuation & Advisory. JLL Valuation & Advisory has no knowledge of the existence of such materials on or in the property. JLL Valuation & Advisory, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. Client is urged to retain an expert in this field, if desired. None of JLL Valuation & Appraisal and its affiliates, officers, owners, managers, directors, agents, subcontractors or employees (the “JLL Parties”) shall be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the property.
13. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the Subject Property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues, and render no opinion regarding compliance of the Subject Property with ADA regulations. Inasmuch as compliance matches each owner’s financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner’s financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
14. It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a non-conformity has been identified, described and considered in the appraisal report.
15. It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
16. It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
17. Although we reflect our general understanding of a tenant’s status in our valuations (i.e. the market’s general perception of their creditworthiness), inquiries as to the financial standing of actual or

prospective tenants are not normally made unless specifically requested. Where properties are valued with the benefit of leasing, it is therefore assumed, unless we are informed otherwise, that the tenants are capable of meeting their financial obligations under the lease and that there are no arrears of rent or undisclosed breaches of covenant.

18. Although we conducted cursory inspection of the subject sites, we did not conduct a formal survey of the property and assume no responsibility in connection with such matters. The spatial data, including sketches and/or surveys included in this report, have been supplied by the client and are assumed to be correct.
19. Any allocation of the total value estimated in this report between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
20. Neither all nor any part of this report, or copy thereof, shall be used for any purpose by anyone but the client and intended users specified in the report without my written consent. This report was prepared for the client's use at their sole discretion within the framework of the intended use stated in this report. Its use for any other purpose or use by any party not identified as an intended user of this report is beyond the scope of work of this assignment. Possession of this report, or a copy thereof, does not carry with it the right of publication.
21. JLL Valuation & Advisory, by reason of the report, is not required to give further consultation or testimony or to be in attendance in court with reference to the property in question unless arrangements have been previously made.
22. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the consultant who prepared the report, or the firm with which the consultant is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of JLL Valuation & Advisory, except as outlined in the attached engagement letter.
23. Unless expressly advised to the contrary we assume that appropriate insurance coverage is and will continue to be available on commercially acceptable terms.
24. Unless otherwise stated our valuation excludes any additional value attributable to goodwill, or to fixtures and fittings which are only of value, in situ, to the present occupier. No allowance has been made for any plant, machinery or equipment unless it forms an integral part of the building and would normally be included in a sale of the building. We do not normally carry out or commission investigations into the capacity or condition of services. Therefore we assume that the services, and any associated controls or software, are in working order and free from defect. We also assume that the services are of sufficient capacity to meet current and future needs.
25. It is assumed that no changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.

26. In the case of property where construction work is in progress, such as refurbishment or repairs, or where developments are in progress, we have relied upon cost information supplied to us by the client or their appointed specialist experts. In the case of property where construction work is in progress, or have recently been completed, we do not normally make allowance for any liability already incurred, but not yet discharged, in respect of completed work, or obligations in favor of contractors, subcontractors or any members of the professional or design team. We assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
27. By use of this reach party that uses this report agrees to be bound by all the Assumptions and Limiting Conditions, Hypothetical Conditions and Extraordinary Assumptions stated herein.
28. If the Report is submitted to a lender or investor with the prior approval of JLL Valuation & Advisory, such party should consider this Report as only one factor, together with its independent investment considerations and underwriting criteria, in its overall investment decision. Such lender or investor is specifically cautioned to understand all Hypothetical Conditions and Extraordinary Assumptions and the Assumptions and Limiting Conditions incorporated in this Report.
29. In the event of a claim against JLL Valuation & Advisory or its affiliates or their respective officers or employees in connection with or in any way relating to this Report or this engagement, the maximum damages recoverable shall be $2.0 million.
30. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the property is located in an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non- existent or minimal.

Valuation Certificate

Property	Tower I at Emeryville, 1900 Powell St, Emeryville, CA 94608
Client	KBS US Prime Property Management Pte. Ltd.
Purpose of Valuation	Estimate Market Value
Date of Site Visit	December 18, 2018
Type of Property	Office Building
Property Description	The subject is an existing, 12-story office building containing a total of 222,207 square feet of net rentable area. We note the square footage as of the effective date is 260 square feet greater than the preceding figure due to a BOMA remeasurement. Following the conclusion of the retail suite's current lease, its suite size will decrease by 260 square feet. The subject was originally constructed in 1972 and renovated in 2011. The subject is currently approximately 81.1% occupied. The site size is 4.63 acres or 201,683 square feet.
Building Assessment	The site size is 4.63 acres or 201,683 square feet. During the course of our visit, the property was found to be in average condition. On balance, the condition, quality, and functional utility of the improvements are typical for their age and location.
Surrounding Infrastructure	I-80 and I-580 provide access to the subject from the greater metro area. The subject has above average access to public transportation. The nearest bus stop is located at the subject. Additionally, the subject has a walk score of 73 indicating an above average walkability factor. The subject is most commonly accessed via car. The nearest commercial airport is Oakland Airport and is located within 15 miles of the subject property.
Legal Interest Appraised	Leased Fee

Site	4.63 acres or 201,683 square feet
Net Rentable Area	222,207 square feet
Year of Completion	1972
Condition	Average
Town Planning	The property is zoned PUD-1 (Planned Unit Development) and is located in the 80 Corridor submarket
Gross Contract Rent	$4.27/SF/Month
Current Occupancy	81.1%
Weighted Average Lease Expiry (WALE):	6.67 Years
Tenant Mix	The property consists of 222,207 net rentable area square feet, with 16 tenants. Major tenants include WeWork, BeiGene USA, and Adamas Pharmaceuticals. WeWork occupies 56,977 square feet, BeiGene USA occupies 40,206 square feet and Adamas Pharmaceutical occupies 37,627 square feet.
Basis of Valuation	Market Value - Subject to existing tenancies
Valuation Approaches	Income Capitalization and Sales Comparison Approach
Date of Valuation	December 31, 2018
Market Value	$121,000,000
Assumptions, Disclaimers	The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in the analysis which, if found to be false, could alter the appraiser's opinions of conclusions. 1) We assume the WeWork lease for the third floor expansion space goes into effect according to the letter of intent provided to us. We assume that this lease will commence in October 2019. 2) The subject shares a parking garage on a separate, unowned parcel, in common with other buildings in the Tower office development. We assume that, if sold separately, the subject would come to an agreement to retain ownership of its

	pro-rata share of garage parking spaces and would be entitled to all income from these spaces. We assume the rent for garage parking spaces currently paid to the subject ownership would continue. Further, we assume the subject ownership would be financially responsible for maintenance and other expenses related to the parking garage based on a pro-rata basis.
Capitalization Rate:	6.00%
Terminal Capitalization Rate:	6.00%
Discount Rate:	7.75%
Prepared By	Eric L. Enloe, MAI, CRE, FRICS

Valuation Certificate

Property	222 Main, 222 S. Main St, Salt Lake City, UT 84101
Client	KBS US Prime Property Management Pte. Ltd.
Purpose of Valuation	Estimate Market Value
Date of Site Visit	December 21, 2018
Type of Property	Office Building
Property Description	The subject property is a 21-story high rise office building with a total rentable area of 426,657 square feet. The improvements were constructed in 2009 and are 96.8% leased as of the effective appraisal date. Class A office building consists of steel and glass construction and was built in 2009 with LEED Gold certification. There are ground floor retail tenants and office space above and an attached parking garage. Notable tenants include Goldman Sachs and Holland & Hart LLP law firm, who have leased 42% and 21% of the building, respectively. The total site is 1.631 acres, or 71,050 square feet. The site area is 1.63 acres or 71,050 square feet. It should be noted that in December 2017, a 6-inch fire sprinkler main line pipe burst and water flowed for 33 minutes, damaging floors 1 through 5. Most of the tenant improvements were destroyed on these levels. Additionally, the lobby were damaged. These areas have been renovated over the past 12 months. Based on our site tour and discussions with management, all of the major damages spaces have been completed.
Building Assessment	During the course of our visit, the property was found to be in good condition. On balance, the condition, quality, and functional utility of the improvements are typical for their age and location.
Surrounding Infrastructure	The major arterial that services the subject is Interstate 15. I-15 runs north-south through the Salt Lake City metro area, and connects the subject to Ogden and Provo. On the local level, the subject benefits from Downtown Salt Lake City's extensive gridded surface streets. However, the

	major throughways in the area are State Street, which runs north-south, and University Boulevard, which runs east-west. The subject has above average access to public transportation including bus and train. Although public transportation is available, the subject area is most commonly accessed by car.
Legal Interest Appraised	Leased Fee
Site	1.631 acres or 71,050 square feet
Net Rentable Area	426,657 square feet
Year of Completion	2009
Condition	Average
Town Planning	The property is zoned D1 (Central Business District) and is located in the CBD submarket
Gross Contract Rent	$36.43/SF/Year
Current Occupancy	97%
Weighted Average Lease Expiry (WALE):	5.92 Years
Tenant Mix	The property consists of 426,657 net rentable area square feet, with 16 tenants. Major tenants include Goldman Sachs, Holland & Hart LLP, and Perfectly Posh. Goldman Sachs leases 177,206 square feet, Holland & Hart LLP leases 89,960 square feet, and Perfectly Posh leases 43,835 square feet.
Basis of Valuation	Market Value - Subject to existing tenancies
Valuation Approaches	Income Capitalization and Sales Comparison Approach
Date of Valuation	December 31, 2018
Market Value	$210,500,000
Assumptions, Disclaimers	Extraordinary Assumption: The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in the analysis which, if found to be false, could alter the appraiser's opinions of conclusions. 1) We assume

	that the remainder of the repairs to damages caused by the broker sprinkler main line pipe will be completed in a timely and workmanlike manner. 2) We assume that no mold or any other lingering damages will remain after repairs to damages caused by the broken sprinkler main line pipe are completed.
Capitalization Rate:	6.00%
Reversion Capitalization Rate:	6.25%
Discount Rate:	7.00%
Prepared By	Eric L. Enloe, MAI, CRE, FRICS

Valuation Certificate

Property	Village Center Station I, 6380 S. Fiddlers Green CIR, Greenwood Village, CO 80111
Client	KBS US Prime Property Management Pte. Ltd.
Purpose of Valuation	Estimate Market Value
Date of Site Visit	December 12, 2018
Type of Property	Office Building
Property Description	The subject is an existing 9-story multi-tenant Class A office property known as Village Center Station I. The building contains 234,915 square feet of rentable area. The improvements were constructed in 2009 and are 100% leased as of the effective appraisal date. Major tenants include Charter Communications with 88,144 square feet (37% of rentable area) and Holland & Hart with 24,143 square feet (10% of rentable area). The site area is 3.24 acres, or 141,134 square feet. The subject property is in good condition and is a LEED-designed facility. The property is within walking distance to the Light Rail station.
Building Assessment	During the course of our visit, the property was found to be in excellent condition. On balance, the condition, quality, and functional utility of the improvements are typical for their age and location.
Surrounding Infrastructure	The subject property is located 13 miles southeast of Denver. Interstate 25 provides access to the subject from the greater Denver metro area. The subject has above average access to public transportation including AMG National Trust Bank HQ, CoBank Center, and Granite Place at Village Center. The subject has above average access to public transportation. The nearest train station is Village Center Station, located on Yosemite Street, which is within a two minute walk from the subject. The nearest bus station is located at S Yosemite St & Peakview Ave, which is within a five minute walk from the subject. The subject is most commonly accessed via car. The nearest

	commercial airport is Denver International Airport and is located within 30 miles of the subject property.
Legal Description	LOT 2 OF THE CERTIFIED SURVEY MAP OF GREENWOOD PLAZA SOUTH 11TH FLG SubdivisionCd 027704 Subdivision name GREENWOOD PLAZA SOUTH 1ST FLG Bloсck 000 Lot 000
Legal Interest Appraised	Leased Fee
Site	3.240 acres or 141,134 square feet
Net Rentable Area	234,915 square feet
Year of Completion	2009
Condition	Excellent
Town Planning	The property is zoned TC (Town Center) and is located in the Southeast Denver submarket
Gross Contract Rent	$25.19/SF/Year
Current Occupancy	97%
Weighted Average Lease Expiry (WALE):	3.3 Years
Tenant Mix	The property consists of 234,915 net rentable area square feet, with 12 tenants. Major tenants include Charter Direct, Cricket and Regis University. Charter Direct occupies 94,305 square feet, Cricket occupies 46,099 square feet, and Regis University occupies 30,074 square feet.
Basis of Valuation	Market Value - Subject to existing tenancies
Valuation Approaches	Income Capitalization and Sales Comparison Approach
Date of Valuation	December 31, 2018
Market Value	$87,700,000
Assumptions, Disclaimers	Extraordinary Assumption: The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in the

	analysis which, if found to be false, could alter the appraiser's opinions of conclusions. 1) It is assumed International Bank will execute the signed letter of intent and lease Suite 200.
Capitalization Rate:	6.00%
Reversion Capitalization Rate:	6.50%
Discount Rate:	7.00%
Prepared By	Eric L. Enloe, MAI, CRE, FRICS

Valuation Certificate

Property	Village Center Station II, 6360 S. Fiddlers Green CIR, Greenwood Village, CO 80111
Client	KBS US Prime Property Management Pte. Ltd.
Purpose of Valuation	Estimate Market Value
Date of Site Visit	December 12, 2018
Type of Property	Office Building
Property Description	The subject is an existing 12-story office building containing 325,576 rentable square feet with above and below grade structured parking for 1,165 spaces. The improvements were recently completed in July 2018, and are 100% occupied as of the effective date of the appraisal to a single tenant with 9.5 years of remaining lease term. The facility is situated on 5.18 acres or 225,641 square feet of land area. The subject property is in excellent condition and is a LEED-designed built-to-suit facility for a credit tenant.
Building Assessment	During the course of our visit, the property was found to be in good condition. On balance, the condition, quality, and functional utility of the improvements are typical for their age and location.
Surrounding Infrastructure	The subject property is located 13 miles southeast of Denver. Interstate 25 provides access to the subject from the greater Denver metro area. The subject has above average access to public transportation including AMG National Trust Bank HQ, CoBank Center, and Granite Place at Village Center. The subject has above average access to public transportation. The nearest train station is Village Center Station, located on Yosemite Street, which is within a two minute walk from the subject. The subject is most commonly accessed via car. The nearest commercial airport is Denver International Airport and is located within 30 miles of the subject property.

Legal Description	LOT 1-B Township 5 MapPlatB 445 MapPlatP 27 SubdivisionCd 27727
Legal Interest Appraised	Leased Fee
Site	5.18 acres or 225,641 square feet
Net Rentable Area	325,576 square feet
Year of Completion	2018
Condition	Good
Town Planning	The property is zoned TC (Town Center) and is located in the Southeast Denver submarket
Gross Contract Rent	$23.50/SF/Year
Current Occupancy	100%
Weighted Average Lease Expiry (WALE):	9.5 Years
Tenant Mix	The property consists of 325,576 net rentable area square feet, with one tenant. Charter Communications is the tenant in the building.
Basis of Valuation	Market Value - Subject to existing tenancies
Valuation Approaches	Income Capitalization and Sales Comparison Approach
Date of Valuation	December 31, 2018
Market Value	$142,600,000
Assumptions, Disclaimers	This appraisal does not employ any extraordinary assumptions or hypothetical conditions.
Capitalization Rate:	5.75%
Reversion Capitalization Rate:	6.25%
Discount Rate:	7.00%
Prepared By	Eric L. Enloe, MAI, CRE, FRICS

Valuation Certificate

Property	101 South Hanley; 101 S. Hanley Rd, Clayton, MO 63105 (St. Louis MSA)
Client	KBS US Prime Property Management Pte. Ltd.
Purpose of Valuation	Estimate Market Value
Date of Site Visit	December 21, 2018
Type of Property	Office Building-High rise
Property Description	The subject property is known as 101 South Hanley and is a 19-story, Class A, multi-tenant high-rise office tower in Clayton, Missouri. The property is comprised of 360,505 square feet of rentable area and was built in 1986. Approximately $5,881,982 was spent on renovating and modernizing the property over the past three years since acquisition. As of the effective date, the subject property is 100% leased and occupied by 36 tenants. The ground floor includes a 8,782 square foot newly renovated and expanded Capital Grille restaurant space on a 10 year lease which commenced in August 2017. The site area is 1.74 acres, or 76,000 square feet.
Building Assessment	During the course of our visit, the property was found to be in good condition. On balance, the condition, quality, and functional utility of the improvements are typical for their age and location.
Surrounding Infrastructure	Primary access to the area is provided by Interstate 170. Access to the subject from Interstate 170 is provided by Forest Park Parkway via Hanley Road, and travel time from the major arterial to the subject is about two to five minutes. Land uses immediately surrounding the subject include a mix of office, retail, and residential uses.
Legal Description	Town of Clayton L: 10 to 18 BL 14 PB: 1 PG: 7
Legal Interest Appraised	Leased Fee

Site	1.745 acres or 76,000 square feet
Net Rentable Area	360,505 square feet
Year of Completion	1986
Condition	Good
Town Planning	The property is zoned HDC (High Density Commercial) and is located in the Central County submarket
Gross Contract Rent	$26.82/SF/Year
Current Occupancy	100%
Weighted Average Lease Expiry (WALE):	4.3 Years
Tenant Mix	The property consists of 360,505 net rentable area square feet, with 36 tenants. Major tenants include NISA Investment Advisors, Ascension Health Alliance, and Stone Carlie & Company, LLC. NISA Investment Advisors leases 68,167 square feet, Ascension Health Alliance leases 35,966 square feet, and Stone Carlie & Company LLC leases 27,728 square feet.
Basis of Valuation	Market Value - Subject to existing tenancies
Valuation Approaches	Income Capitalization and Sales Comparison Approach
Date of Valuation	December 31, 2018
Market Value	$80,300,000
Assumptions, Disclaimers	This appraisal does not employ any extraordinary assumptions or hypothetical conditions.
Capitalization Rate:	7.25%
Reversion Capitalization Rate:	7.50%
Discount Rate:	8.00%
Prepared By	P. Ryan McDonald, MAI, FRICS, Eric L. Enloe, MAI, CRE, FRICS, and Whitney Pannenton

Valuation Certificate

Property	Tower 909, 909 Lake Carolyn Pwky, Irving, TX 75032
Client	KBS US Prime Property Management Pte. Ltd.
Purpose of Valuation	Estimate Market Value
Date of Site Visit	December 12, 2018
Type of Property	Office Building
Property Description	The subject is an existing office property containing 374,251 square feet of rentable area. The improvements were constructed in 1988 and renovated in 2013. The subject is 91% leased as of the effective appraisal date. The site area is 3.54 acres or 154,403 square feet. Additionally, the subject is one of only four stops along the Area Personal Transit System (APT) serving the Urban Center/Wingren submarket.
Building Assessment	During the course of our visit, the property was found to be in good condition. On balance, the condition, quality, and functional utility of the improvements are typical for their age and location.
Surrounding Infrastructure	Primary access to the area is provided by Interstate 77, a major arterial that crosses the Charlotte area in a north/south direction. Access to the subject from I-77 is provided by W. Trade Street. Overall, vehicular access is average. Public transportation is provided by Charlotte Transit. Also, LYNX, a light rail system runs within the city. The local market perceives public transportation as good compared to other areas in the region. However, the primary mode of transportation in this area is automobile. The Charlotte Douglas International Airport is located about 8 miles from the property.
Legal Description	Las Colinas Urban Ctr 31 Inst Rep Blk 2Lot 1 Acs 3.5446
Legal Interest Appraised	Leased Fee
Site	3.54 acres or 154,403 square feet

Net Rentable Area	374,251 square feet
Year of Completion	1988
Condition	Good
Town Planning	The property is zoned S-P-2 (Site Plan) and is located in the Las Colinas submarket
Gross Contract Rent	$26.27/SF/Year
Current Occupancy	91%
Weighted Average Lease Expiry (WALE):	4.6 Years
Tenant Mix	The property consists of 374,251 net rentable area square feet, with 40 tenants. Major tenants include Matheson Gas, Fleur De Lis Energy, Medallion. Matheson Gas leases 49,534 square feet, Fleur De Lis Energy leases 35,224 square feet and Medallion leases 28,058 square feet.
Basis of Valuation	Market Value - Subject to existing tenancies
Valuation Approaches	Income Capitalization and Sales Comparison Approach
Date of Valuation	December 31, 2018
Market Value	$76,400,000
Assumptions, Disclaimers	This appraisal does not employ any extraordinary assumptions or hypothetical conditions.
Capitalization Rate:	6.50%
Reversion Capitalization Rate:	7.00%
Discount Rate:	7.50%
Prepared By	Kenneth Gill, MAI, Mark Lamb, MAI, FRICS and Eric L. Enloe, MAI, CRE, FRICS

Valuation Certificate

Property	Promenade I & II, 17806 & 17802 W. IH-10, San Antonio, TX 78257
Client	KBS US Prime Property Management Pte. Ltd.
Purpose of Valuation	Estimate Market Value
Date of Site Visit	December 12, 2018
Type of Property	Office Building
Property Description	The subject is an existing office property containing 205,773 square feet of rentable area. The improvements were constructed in 2011 and are 99.5% leased as of the effective appraisal date. The site area is 6.26 acres or 272,772 square feet. The property is comprised of two very good quality 4-story Class A office buildings that are part of the Eilan Master Planned Community in the northwestern San Antonio suburbs. The buildings and attached parking garages have similar attributes and have been operating at stabilized occupancy for several years. No major items of deferred maintenance were observed, and no major capital projects are planned.
Building Assessment	During the course of our visit, the property was found to be in very good condition. On balance, the condition, quality, and functional utility of the improvements are above average for their age and location. The superior quality level is partially recaptured in market rent and high tenant retention. However, the replacement cost would be much higher in the current market, and the subject benefits from the initial quality of the interior and exterior finishes.
Surrounding Infrastructure	Primary access to the area is provided by Interstate Highway 10 (IH-10), a major arterial that crosses the region in a northwest/southeast direction. Access to the subject from IH-10 is provided directly by the highway's access road and the interior arterials of the Eilan master planned community. Overall, vehicular access is good to the subject street, La Cantera Terrace,

	which is a private street within the development. Public transportation is provided by Via Metropolitan Transit, which provides access to most areas of San Antonio. Overall, the primary mode of transportation in the area is the automobile. The San Antonio International Airport is approximately 7 miles southeast of the subject site; travel time is approximately 15 minutes, depending on traffic conditions.
Legal Interest Appraised	Leased Fee
Site	6.26 acres or 272,772 square feet
Net Rentable Area	205,773 square feet
Year of Completion	2011
Condition	Very Good
Town Planning	The property is zoned MPCD (Master Planned Community District) and is located in the northwest submarket
Gross Contract Rent	$24.81/SF/Year
Current Occupancy	99.8%
Weighted Average Lease Expiry (WALE):	4.3 Years
Tenant Mix	The property consists of 205,773 net rentable area square feet. Major tenants include Apache Corporation, Steak 'N Shake, and Constellation Brands, Inc. Apache Corporation leases 70,065 square feet, Steak 'N Shake leases 28,069 square feet, and Constellation Brands leases 21,019 square feet.
Basis of Valuation	Market Value - Subject to existing tenancies
Valuation Approaches	Income Capitalization and Sales Comparison Approach
Date of Valuation	December 31, 2018
Market Value	$73,600,000
Assumptions, Disclaimers	This appraisal does not employ any extraordinary assumptions or hypothetical conditions.

Capitalization Rate:	7.00%
Reversion Capitalization Rate:	7.50%
Discount Rate:	8.00%
Prepared By	Eric L. Enloe, MAI, CRE, FRICS

Valuation Certificate

Property	CrossPoint, 550 E. Swedesford Rd, Wayne, Pennsylvania 19087
Client	KBS US Prime Property Management Pte. Ltd.
Purpose of Valuation	Estimate Market Value
Date of Site Visit	December 17, 2018
Type of Property	Office Building
Property Description	The subject is an existing, Class A, 4-story office property containing 272,360 square feet of rentable area. The improvements were originally constructed in 1974, gut renovated in 2014, and are 100% leased as of the effective appraisal date. On-site covered and surface parking is offered at a ratio of 3.8 spaces per 1,000 rentable square feet. The site area is 24.29 acres, or 1,058,072 square feet.
Building Assessment	During the course of our visit, the property was found to be in good condition. On balance, the condition, quality, and functional utility of the improvements are typical for their age and location.
Surrounding Infrastructure	Major highways such as The Pennsylvania Turnpike, Schuylkill Expressway, and Routes 202 and 422 are all within 1 mile and can be accessed via Swedesford Road and Devon Park. Public transportation is available via SEPTA Bus Route 124, which stops at the complex. The nearest commercial airport is Philadelphia International Airport and is located within thirty miles of the subject property.
Legal Description	SS E SWEDESFORD RD 1.6 AC & COMM BLDGS UNIT C
Legal Interest Appraised	Leased Fee
Site	24.290 acres or 1,058,072 square feet
Net Rentable Area	272,360 square feet

Year of Completion	1974
Condition	Good
Town Planning	The property is zoned O (Office) and is located in the Suburban Philadelphia submarket
Gross Contract Rent	$32.10/SF/Year
Current Occupancy	100%
Weighted Average Lease Expiry (WALE):	5.33 Years
Tenant Mix	The property consists of 272,360 net rentable area square feet, with 13 tenants. Major tenants include Teleflex Incorporate, Rovi Corporation, and Medecision, Inc. Teleflex leases 84,008 square feet, Rovi Corporation leases 64,967 square feet and Medecision, Inc. leases 24,726 square feet.
Basis of Valuation	Market Value - Subject to existing tenancies
Valuation Approaches	Income Capitalization and Sales Comparison Approach
Date of Valuation	December 31, 2018
Market Value	$97,400,000
Assumptions, Disclaimers	This appraisal does not employ any extraordinary assumptions or hypothetical conditions.
Capitalization Rate:	6.25%
Reversion Capitalization Rate:	6.75%
Discount Rate:	7.25%
Prepared By	Svetlana M. Lenovitz, MAI, MRICS and Eric L. Enloe, MAI, CRE, FRICS

Valuation Certificate

Property	One Washingtonian Center, 9801 Washingtonian Blvd, Gaithersburg, MD 20878
Client	KBS US Prime Property Management Pte. Ltd.
Purpose of Valuation	Estimate Market Value
Date of Site Visit	January 2, 2019
Type of Property	Office Building
Property Description	The subject is an existing, Class A, 13-story office property containing 314,175 square feet of rentable area. The improvements were constructed in 1989 and are 96% leased as of the effective appraisal date. On-site garage and surface parking is offered at a ratio of 3.9 spaces per 1,000 rentable square feet. The site area is 5.10 acres, or 222,214 square feet.
Building Assessment	During the course of our visit, the property was found to be in good condition. On balance, the condition, quality, and functional utility of the improvements are typical for their age and location.
Surrounding Infrastructure	Interstate 270 and Interstate 370 provide access to the subject from the greater Washington, D.C. metro area. The subject has average access to public transportation including the bus. The subject is most commonly accessed via car. The nearest commercial airport is Dulles International Airport and is located within 30 miles of the subject property.
Legal Description	R-20-91 PAR C WASHINGTONIAN CENTER ART OF TRANSFER
Legal Interest Appraised	Leased Fee
Site	5.10 acres or 222,214 square feet
Net Rentable Area	314,175 square feet

Year of Completion	1989
Condition	Good
Town Planning	The property is zoned MXD (Mixed Use Development) and is located in the I-270 Corridor submarket
Gross Contract Rent	$32.11/ SF/Year
Current Occupancy	96%
Weighted Average Lease Expiry (WALE):	5.3 Years
Tenant Mix	The property consists of 314,175 net rentable area square feet. Major tenants include Sodexo Operations LLC, Covance Inc, and Edell, Shapiro & Finnan, LLC. Sodexo Operations LLC leases 181,146 square feet, Covance Inc. leases 47,184 square feet, and Edell, Shapiro & Finnan, LLC leases 15,601 square feet.
Basis of Valuation	Market Value - Subject to existing tenancies
Valuation Approaches	Income Capitalization and Sales Comparison Approach
Date of Valuation	December 31, 2018
Market Value	$102,200,000
Assumptions, Disclaimers	This appraisal does not employ any extraordinary assumptions or hypothetical conditions.
Capitalization Rate:	6.50%
Reversion Capitalization Rate:	7.00%
Discount Rate:	7.50%
Prepared By	Svetlana M. Lenovitz, MAI, MRICS and Eric L. Enloe, MAI, CRE, FRICS

Valuation Certificate

Property	Reston Square, 11790 Sunrise Valley Dr, Reston, VA 20191
Client	KBS US Prime Property Management Pte. Ltd.
Purpose of Valuation	Estimate Market Value
Date of Site Visit	January 2, 2019
Type of Property	Office Building
Property Description	The subject is an existing, Class A, 6-story office property containing 138,995 square feet of rentable area. The improvements were constructed in 2007 and are 97% leased as of the effective appraisal date. On-site covered and surface parking is offered at a ratio of 5.1 spaces per 1,000 rentable square feet. The site area is 1.95 acres, or 84,997 square feet.
Surrounding Infrastructure	Dulles Access Road provides access to the subject from the greater Washington D.C. metro area. The subject has above average access to public transportation including bus and train. The nearest bus stop is located on Sunrise Valley Drive which is within a one minute walk from the subject. The nearest train station is the Wiehler-Reston East train station about one mile from the subject. The subject is most commonly accessed via car. The nearest commercial airport is Dulles International Airport and is located within ten miles of the subject property.
Legal Interest Appraised	Leased Fee
Site	1.95 acres or 84,997 square feet
Net Rentable Area	138,995 square feet
Year of Completion	2007
Town Planning	The property is zoned PRC(Planned Residential Community) and is located in the Dulles Corridor submarket
Gross Contract Rent	$40.59/SF/Year

Current Occupancy	97%
Weighted Average Lease Expiry (WALE):	4.58 Years
Tenant Mix	The property consists of 138,995 net rentable area square feet, with 7 tenants. Major tenants include Whitney, Bradley & Brown, Inc., SES Government Solutions, and The Washington Group. Whitney, Bradley & Brown, Inc. Whitney, Bradley & Brown, Inc. leases 73,511 square feet, SES Government Solutions leases 35,171 square feet, and The Washington Group leases 8,835 square feet.
Basis of Valuation	Market Value - Subject to existing tenancies
Valuation Approaches	Income Capitalization and Sales Comparison Approach
Date of Valuation	December 31, 2018
Market Value	$49,900,000
Assumptions, Disclaimers	This appraisal does not employ any extraordinary assumptions or hypothetical conditions.
Capitalization Rate:	6.00%
Reversion Capitalization Rate:	6.50%
Discount Rate:	7.50%
Prepared By	Svetlana M. Lenovitz, MAI, MRICS and Eric L. Enloe, MAI, CRE, FRICS

Valuation Certificate

Property	171 17th Street, 171 17th St NW, Atlanta, Georgia 30363
Client	KBS US Prime Property Management Pte. Ltd.
Purpose of Valuation	Estimate Market Value
Date of Site Visit	January 7, 2019
Type of Property	Office Building
Property Description	The subject is an existing, Class A, 22-story office building located within the mixed-used development known as Atlantic Station. The improvements were built in 2003 and contains 510,268 square feet of rentable area. As of the effective appraisal date, the improvements are 100% leased. It is noted that three tenants who occupy the subject office building have lease rates which are above or below markets rates. These tenants comprise 211,358 rentable square feet, or 41.4% of the subject office. The site area is 0.68 acres, or 29,621 square feet.
Building Assessment	During the course of our visit, the property was found to be in good condition. On balance, the condition, quality, and functional utility of the improvements are typical for their age and location.
Surrounding Infrastructure	Interstates 75 and 85 provide access to the subject from the greater Atlanta metro area. The subject has above average area linkages providing access to various job centers and surrounding commercial districts. The subject has above average access to public transportation including bus and train. The nearest bus station is located on 17th Street, which is within a one minute walk from the subject. The subject is most commonly accessed via car. The nearest commercial airport is Hartsfield-Jackson Atlanta International and is located within twelve miles of the subject property.
Legal Interest Appraised	Leased Fee

Site	0.68 acres or 29,621 square feet
Net Rentable Area	510,268 square feet
Year of Completion	2003
Condition	Good
Town Planning	The property is zoned C4C (Central Area Commercial-Residential District) and is located in the Midtown Atlanta submarket
Gross Contract Rent	$25.14/SF/Year
Current Occupancy	100%
Weighted Average Lease Expiry (WALE):	5.3 Years
Tenant Mix	The property consists of 510,268 net rentable area square feet, with 18 tenants. Major tenants include Wells Fargo Bank, NA, Arnall Golden Gregory LLP, and Burr & Forman, LLP. Wells Fargo Bank, NA leases 156,104 square feet, Arnall Golden Gregory LLP leases 122,240 square feet, and Burr & Forman, LLP leases 49,195 square feet.
Basis of Valuation	Market Value - Subject to existing tenancies
Valuation Approaches	Income Capitalization and Sales Comparison Approach
Date of Valuation	December 31, 2018
Market Value	$173,000,000
Assumptions, Disclaimers	This appraisal does not employ any extraordinary assumptions or hypothetical conditions.
Capitalization Rate:	5.75%
Reversion Capitalization Rate:	6.75%
Discount Rate:	7.25%
Prepared By	Eric L. Enloe, MAI, CRE, FRICS, and Blake P. Fine, MAI

400 Capitol Mall, Suite 1800
Sacramento, CA 95814
Tel +1 916 473 7396
cushmanwakefield.com

May 9, 2019

DBS Trustee Limited (in its capacity as trustee of Prime US REIT)
12 Marina Boulevard
Marina Bay Financial Centre Tower 3
Singapore 018982

Re: Summary of Valuations

DBS Trustee Limited (in its capacity as trustee of Prime US REIT)

Cushman & Wakefield File ID: 19-38032-900002-001

In fulfillment of our agreement as outlined in the Letter of Engagement, we are pleased to transmit our opinions of Market Value for the properties that comprise the above referenced portfolio.

In the course of this assignment, individual Appraisal Reports for each property in the portfolio have been prepared by Cushman & Wakefield and have been vested with the referenced client. This Valuation Summary includes individual Value Certificates for each property that are provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout the individual Appraisal Reports (including any Extraordinary Assumptions), and these are made in conjunction with those included within the Assumptions and Limiting Conditions section located within this report. **Furthermore, the conclusions summarized in the valuation certificates are based on the data, analyses and conclusions set forth in the individual Appraisal Reports, and it is necessary to have our individual Appraisal Reports to understand our valuation. The individual Appraisal Reports are incorporated into this report by reference and are considered an integral part of this Valuation Summary.** We assume the reader of this report has access to the individual Appraisal Reports.

This Valuation Summary, has been prepared in accordance with the *Uniform Standards of Professional Appraisal Practice* (USPAP) and the Code of Ethics and Certification Standards of the Appraisal Institute. As value opinions are communicated herein, this report is presented as a condensed Appraisal Report that briefly summarizes the conclusions set forth in the more comprehensive individual Appraisal Reports for each property. Please refer to the individual appraisals for information regarding each property, their markets and the specific analyses and conclusions for each.

Scope of Work

Scope of work is the type and extent of research and analyses involved in an assignment. To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the relevant characteristics of the subject property, and other pertinent factors. Our concluded scope of work is summarized below and applies primarily to the individual Appraisal Reports, which are incorporated into this report. Additional scope details are included in the individual Appraisal Reports.

Research

- A Cushman & Wakefield appraiser inspected the property and its environs. Physical information on the subject was obtained from the property owner's representative, public records, and/or third-party sources.
- Regional economic and demographic trends, as well as the specifics of the subject's local area were investigated. Data on the local and regional property market (supply and demand trends, rent levels, etc.) was also obtained. This process was based on interviews with regional and/or local market participants, primary research, available published data, and other various resources.
- Other relevant data was collected, verified, and analyzed. Comparable property data was obtained from various sources (public records, third-party data-reporting services, etc.) and confirmed with a party to the transaction (buyer, seller, broker, owner, tenant, etc.) wherever possible. It is, however, sometimes necessary to rely on other sources deemed reliable, such as data reporting services.

Analysis

- Based upon the subject property characteristics, prevailing market dynamics, and other information, we developed an opinion of the property's Highest and Best Use.
- We analyzed the data gathered using generally accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value.
- The results of each valuation approach are considered and reconciled into a reasonable value estimate.

This report is intended to comply with the reporting requirements outlined under USPAP for an Appraisal Report. The report was also prepared to comply with the requirements of the Code of Professional Ethics of the Appraisal Institute.

This report was prepared by Judson H. Cline, MAI, MRICS with assistance from the individuals cited in the Certification of Appraisal section of this report who were responsible for the preparation of the individual appraisal reports on each property as well as development of the individual opinions of value.

An appraiser with Cushman & Wakefield inspected the properties and prepared the individual appraisals on each property. Please refer to the individual appraisals for each appraiser's Scope of Work, analysis and conclusions. These individuals are mentioned in the Certification of Appraisal section of this report.

Methodology

This individual appraisals employ the Sales Comparison Approach and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that these approaches should be considered applicable and/or necessary for market participants. Typical purchasers do not generally rely on the Cost Approach when purchasing a property such as the subject of this report. Therefore, we have not utilized the Cost Approach to develop an opinion of market value. Additional details regarding the methodologies employed in our valuation are included in the individual Appraisal Reports.

Report Option Description

USPAP identifies two written report options: Appraisal Report and Restricted Appraisal Report. This document is prepared as an Appraisal Report in accordance with USPAP guidelines. The terms “describe,” summarize,” and “state” connote different levels of detail, with “describe” as the most comprehensive approach and “state” as the least detailed. As such, the following provides specific descriptions about the level of detail and explanation included within the report. It should be noted, that most of the detail identified below is presented in the individual Appraisal Reports, which have been incorporated into this report by reference:

- Describes the real estate and/or personal property that is the subject of the appraisal, including physical, economic, and other characteristics that are relevant
- States the type and definition of value and its source
- Describes the Scope of Work used to develop the appraisal
- Describes the information analyzed, the appraisal methods used, and the reasoning supporting the analyses and opinions; explains the exclusion of any valuation approaches
- States the use of the property as of the valuation date
- Describes the rationale for the Highest and Best Use opinion (if included)

Definitions of Value and Interest Appraised

We developed opinions of the Market Value of the leased fee interest for each property.

The following definitions of pertinent terms are taken from *The Dictionary of Real Estate Appraisal*, Sixth Edition (2015), published by the Appraisal Institute, as well as other sources.

Market Value

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Leased Fee Interest

As ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the lessee are specified by contract terms contained within the lease.

Identification of Property

The properties included in the subject portfolio are all located in the United States and identified as follows:

This Report relates primarily to the properties and markets identified in the following table and map (the Portfolio).

Ref.	Property	Investment Class	City	State	Primary Market	Submarket
1	Tower I at Emeryville	A	Emeryville	California	San Francisco Bay Area (Oakland)	Oakland (North Alameda)
2	222 Main	A	Salt Lake City	Utah	Salt Lake City	CBD
3	Village Center Station I	A	Greenwood Village	Colorado	Denver	Southeast Suburban
4	Village Center Station II	A	Greenwood Village	Colorado	Denver	Southeast Suburban
5	101 South Hanley	A	St Louis	Missouri	St. Louis	Clayton
6	Tower 909	A	Irving	Texas	Dallas	Las Colinas
7	Promenade I & II	A	San Antonio	Texas	San Antonio	West
8	CrossPoint	A	Wayne	Pennsylvania	Philadelphia	King of Prussia
9	One Washingtonian Center	A	Gaithersburg	Maryland	Washington D.C Area (Suburban Maryland)	Suburban Maryland (Gaithersburg)
10	Reston Square	A	Reston	Virginia	Washington D.C Area (Suburban Virginia)	Suburban Virginia (Reston)
11	171 17th Street	A	Atlanta	Georgia	Atlanta	Midtown/Pershing/ Brookwood

Please refer to the Valuation Certificates included in this report as well as the individual Appraisal Reports for additional identification details.

Property Ownership and Recent History

Please refer to the individual appraisal reports prepared by Cushman & Wakefield, Inc. for each property's ownership entity, sale history, current disposition and information with regard to inspections.

Client, Intended Use and Users of the Appraisal

Client

DBS Trustee Limited (in its capacity as trustee of Prime US REIT)

Intended Use

This Valuation Summary report, along with the individual Appraisal Reports that are incorporated into this report, are to be used in connection with an initial public offering (IPO) in Singapore and will be a document for inspection by the public, and is to be included in the prospectus to be issued in connection with the IPO.

Subject to the Additional Conditions set forth below, Cushman & Wakefield Western, Inc. will provide a written consent to the issuer in the form as required under the Securities and Futures Act, Chapter 289 of Singapore ("SFA") and the Monetary Authority of Singapore to (i) it being named as industry expert, (ii) its report being included in the Prospectus to be issued in connection with an initial public offering (including an offering to institutional and other investors outside of Singapore) and (if necessary) (iii) the inclusion in the Prospectus of statements made by, or statements based on statements made by, the industry expert.

Any consent to the uses identified in the preceding paragraph is subject to the following:

1. Cushman & Wakefield's approval of the reference to the appraisal, such approval not to be unreasonably withheld. Client agrees to pay the reasonable fees of Cushman & Wakefield's legal counsel for the review of the form and content of a Consent Letter, a summary of the reports contained in the Offering.
2. Receipt of a duly executed indemnity agreement from an entity acceptable to Cushman & Wakefield and in the form attached to the letter of engagement from the Client, with the Exhibit A thereto appropriately completed to the satisfaction of Cushman & Wakefield, acting reasonably.

Intended Users

DBS Trustee Limited (in its capacity as trustee of Prime US REIT)

The individual Valuation Certificates follow. **The conclusions summarized in the valuation certificates are based on the data, analyses and conclusions set forth in the individual Appraisal Reports, and it is necessary to have our individual Appraisal Reports to understand our valuation.**

The chart on the following page is a summary of the information presented on the individual Value Certificates.

Respectfully submitted,

CUSHMAN & WAKEFIELD WESTERN, INC.

Judson H. Cline, MAI, MRICS
Senior Director
California Certified General Appraiser
License No. AG027622
judson.cline@cushwake.com
916-473-7396 Office Direct

Ref.	Property	City	State	Market	NRA (SF)	Occ	Year Blt	Value	Value PSF	NOI	Cap Rate	Terminal Cap Rate	IRR	WALE
1	Tower I at Emeryville	Emeryville	California	San Francisco Bay Area (Oakland)	222,207	81%	1972	$121,200,000	$545	$8,044,704	6.64%	6.50%	7.50%	6.7 years
2	222 Main	Salt Lake City	Utah	Salt Lake City	426,657	97%	2009	$212,000,000	$497	$13,096,523	6.18%	6.15%	6.50%	5.9 years
3	Village Center Station	Greenwood Village	Colorado	Denver	234,915	97%	2009	$90,600,000	$386	$5,117,930	5.65%	6.00%	7.25%	3.3 years
4	Village Center Station II	Greenwood Village	Colorado	Denver	325,576	100%	2018	$146,500,000	$450	$8,501,062	5.80%	6.00%	6.50%	9.5 years
5	101 South Hanley	St Louis	Missouri	St. Louis	360,505	99%	1986	$79,100,000	$219	$6,008,987	7.60%	7.75%	8.50%	4.3 years
6	Tower 909	Irving	Texas	Dallas	374,251	91%	1988	$76,200,000	$204	$4,699,169	6.17%	7.00%	7.50%	4.6 years
7	Promenade I & II	San Antonio	Texas	San Antonio	205,773	100%	2011	$72,000,000	$350	$4,903,739	6.81%	7.25%	7.75%	4.3 years
8	CrossPoint	Wayne	Pennsylvania	Philadelphia	272,360	100%	1974	$98,000,000	$360	$6,639,324	6.77%	6.75%	7.50%	5.3 years
9	One Washingtonian Center	Gaithersburg	Maryland	Washington D.C. Area (Suburban Maryland)	314,175	96%	1989	$102,000,000	$325	$6,723,115	6.59%	6.75%	7.25%	5.3 years
10	Reston Square	Reston	Virginia	Washington D.C. Area (Suburban Virginia)	138,995	97%	2007	$52,100,000	$375	$3,657,003	7.02%	6.25%	7.00%	4.6 years
11	171 17th Street	Atlanta	Georgia	Atlanta	510,268	100%	2004	$180,000,000	$353	$11,579,867	6.43%	7.00%	7.75%	5.5 years
				Totals	3,385,682			$1,229,700,000	$363	$78,971,422	6.42%			

VALUATION CERTIFICATE –TOWER I AT EMERYVILLE, EMERYVILLE, CALIFORNIA

Property:	Tower I at Emeryville, 1900 Powell Street, Emeryville, Alameda County, California 94608
Client:	DBS Trustee Limited (in its capacity as trustee of Prime US REIT)
Purpose of Valuation:	Estimate Market Value to be used in connection with an initial public offering (IPO), with this summary to be included in the prospectus issued in connection with the IPO.
Date of Inspection:	January 8, 2019
Type of Property	Office Building - Mid Rise
Property Description:	The property consists of a 12-story, Class A, multi-tenant office building containing 222,207 square feet of rentable area situated on a 201,613 square foot site. The improvements were completed in 1972. The subject shares a parking garage with two additional office buildings.
Building Assessment:	During the course of our site visit, the property was found to be of good quality construction and in good condition. After considering all of the physical characteristics of the subject, we have concluded that this property has an overall rating that is average, when measured against other properties in this marketplace.
Surrounding Infrastructure:	The subject is located in Alameda County, within the city of Emeryville. Generally, the boundaries of the immediate area are Ashby Street to the north, 40th Street to the south, San Pablo Avenue to the east and the San Francisco Bay to the west. During the last two decades, Emeryville has remade itself from an industrial city into a densely populated, upscale urban environment by the Bay. With successful redevelopment of former industrial sites, the city is thriving and experiencing a housing, retail and office boom. Once dominated by post WWII obsolete industrial land uses and an unappealing Downtown, Emeryville has emerged as one of the Bay Area's most dynamic and desirable communities. It has attracted a number of new businesses and morphed into a vibrant "New Emeryville". Due to its central location, Emeryville's primary commercial activities centered on warehousing and distribution. Over the past 20 years, the combination of its pro-business city administration and proximity to the innovative minds at U.C. Berkeley has made Emeryville a bustling employment center with a hip urban culture. It is now home to biotech leader Novartis, and industry leaders LeapFrog, Clif Bar, and Pixar. Drivers no longer pass through Emeryville as a conduit to another destination. The neighborhood was a predominantly light industrial area and over the past 10 years has been redeveloped into various uses. The character of the neighborhood has changed to a combination of residential, commercial, high tech, live/work and light industrial uses. The resident component is the strongest component, with most of the recent development oriented towards this type of use.
Assessor's Parcel ID:	49-1495-8
Property Interest:	Leased Fee Estate
Land Area:	4.63 acres / 201,613 square feet
Net Rentable Area:	222,207 square feet
Year of Completion:	1972
Condition:	Good

City Planning/Zoning:	The property is currently zoned PUD-1 (Planned Unit Development) - Watergate Office Towers, under the governing authority of the City of City of Emeryville. The purpose of the PUD zone is to encourage the creative development of large sites so as to permit flexibility in physical design, achieve attractive designs that encourage large-scale planning, and ensure that the applicable provisions of the General Plan are established early in the formation of such development proposals. The property includes surface parking spaces, reflecting an overall parking ratio of 1.35 spaces per 1,000 square feet of net rentable area.
Net Operating Income:	$8,044,704
Occupancy:	81%
Tenant Mix:	It should be noted that AAA, a former large tenant at the subject, vacated four floors in 2017 allowing for the ownership to bring these spaces to market.
Basis of Valuation:	Market Value – Subject to existing tenancies
Valuation Approaches:	Sales Comparison Approach and Income Capitalization Approach (Direct Capitalization and Yield Capitalization Methods)
Date of Valuation:	December 31, 2018
Market Value:	$121,200,000
Assumptions, Disclaimers:	In the course of this assignment, individual Appraisal Reports for each property in the portfolio have been prepared by Cushman & Wakefield for the referenced client. This valuation certificate is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout the Appraisal Report for this property, which are made in conjunction with those included within the Assumptions and Limiting Conditions section located within this report as well as any Extraordinary Assumptions. Furthermore, the conclusions summarized in this valuation certificate are based on the data, analyses and conclusions set forth in the individual Appraisal Reports, and it is necessary to have our individual Appraisal Reports to understand our valuation. This valuation is only for the use of the party to whom it is addressed and for the intended use stated in this report. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation.
Prepared By:	Cushman & Wakefield Western, Inc. Jason W. Garlock, MAI

VALUATION CERTIFICATE – 222 MAIN, SALT LAKE CITY, UTAH

Property:	222 Main, 222 South Main Street, Salt Lake City, Salt Lake County, Utah 84101
Client:	DBS Trustee Limited (in its capacity as trustee of Prime US REIT)
Purpose of Valuation:	Estimate Market Value to be used in connection with an initial public offering (IPO), with this summary to be included in the prospectus issued in connection with the IPO.
Date of Inspection:	January 5, 2019
Type of Property	Office Building - High Rise
Property Description:	The property consists of a 21-story, Class A, multi-tenant office building containing 426,657 square feet of rentable area situated on a 1.63-acre, or 71,003 square foot site. The improvements were completed in 2009 and are in excellent condition. The subject property is located within the Salt Lake City CBD and includes an 840-stall parking garage. The subject offers adequate amenities that are attractive to prospective tenants as evidenced by its current tenancy.
Building Assessment:	During the course of our site visit, the property was found to be of excellent quality construction and in excellent condition. Current asking rates for competitive properties within the subject micro-market range from $26.00 to $37.00 per square foot, full service, annually. The asking rate for the subject property is $36.00 per square foot, full service and it competes favorably within the Salt Lake City office CBD market. After considering all of the physical characteristics of the subject, we have concluded that this property has an overall rating that is excellent, when measured against other properties in this marketplace.
Surrounding Infrastructure:	Local area accessibility is good. The local area has accessibility from I-15 (north/south) and I-80 (east/west) one-half mile to the west. Bus routes and light rail transportation access can be found in the local area. The central Salt Lake City TRAX (commuter light rail) and FrontRunner station is located five blocks to the west of the subject property near 600 West and 300 South. The nearest TRAX line station (Gallivan Station) is located on Main Street adjacent to the subject property. Most notable commercial developments in the area include the 630,000 square foot, City Creek Center, is a mixed-use redevelopment project and the center of the Salt Lake CBD (50 South Main) that was completed in 2012. Numerous other Class A, high-rise office buildings are located in the immediate area with several others planned or under construction. The blocks from South Temple (to the north) to 300 South (to the south) on Main Street are generally considered the “A+” office corridor in the Salt Lake City CBD.
Assessor's Parcel ID:	15-01-280-065
Property Interest:	Leased Fee Estate
Land Area:	1.63 acres / 71,003 square feet
Net Rentable Area:	426,657 square feet
Year of Completion:	2009
Condition:	Excellent
City Planning/Zoning:	The property is currently zoned D-1; Central Business District, under the governing authority of Salt Lake City. Permitted uses within this district include office, retail, institutional, residential and various commercial uses. The property includes structured garage parking spaces, reflecting an overall parking ratio of 1.97 spaces per 1,000

	square feet of net rentable area. The parking adequately supports the existing users and meets the zoning requirements.
Net Operating Income:	$13,096,523
Occupancy:	97%
Tenant Mix:	Major tenancy in the subject property includes: Goldman Sachs (177,206 square feet, or 41.5 percent), Holland & Hart (89,960 square feet, or 21.1 percent), Perfectly Posh (43,835 square feet, or 10.3 percent) and CBRE (16,036 square feet, or 3.8 percent).
Basis of Valuation:	Market Value – Subject to existing tenancies
Valuation Approaches:	Sales Comparison Approach and Income Capitalization Approach (Direct Capitalization and Yield Capitalization Methods)
Date of Valuation:	December 31, 2018
Market Value:	$212,000,000
Assumptions, Disclaimers:	In the course of this assignment, individual Appraisal Reports for each property in the portfolio have been prepared by Cushman & Wakefield for the referenced client. This valuation certificate is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout the Appraisal Report for this property, which are made in conjunction with those included within the Assumptions and Limiting Conditions section located within this report as well as any Extraordinary Assumptions. Furthermore, the conclusions summarized in this valuation certificate are based on the data, analyses and conclusions set forth in the individual Appraisal Reports, and it is necessary to have our individual Appraisal Reports to understand our valuation. This valuation is only for the use of the party to whom it is addressed and for the intended use stated in this report. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation.
Prepared By:	Cushman & Wakefield of Colorado, Inc. D. Tyler Dustman, MAI

VALUATION CERTIFICATE – VILLAGE CENTER STATION I, GREENWOOD VILLAGE, COLORADO

Property:	Village Center Station I, 6380 South Fiddler's Green Circle, Greenwood Village, Arapahoe County, Colorado 80111
Client:	DBS Trustee Limited (in its capacity as trustee of Prime US REIT)
Purpose of Valuation:	Estimate Market Value to be used in connection with an initial public offering (IPO), with this summary to be included in the prospectus issued in connection with the IPO.
Date of Inspection:	December 18, 2018
Type of Property	Office Building - Mid Rise
Property Description:	The property consists of a 9-story, Class A, multi-tenant office building containing 234,915 square feet of rentable area situated on a 141,075 square foot site. The improvements were completed in 2009. The subject is a newer state-of-the-art office building with an attractive appearance and a good design and functional floorplates. It features ground floor retail, a fitness center, conference center, and an attached parking structure.
Building Assessment:	During the course of our site visit, the property was found to be of excellent quality construction and in good condition. After considering all of the physical characteristics of the subject, we have concluded that this property has an overall rating that is excellent, when measured against other properties in this marketplace.
Surrounding Infrastructure:	The subject's immediate location is referenced as the Greenwood Plaza office submarket. Surrounding the subject property are several class A office buildings which represent some of the more upscale office buildings in that specific submarket. The subject benefits to a good degree by its exposure and accessibility to Interstate 25, the availability to an adjacent light rail passenger station, its proximity to the Centennial Regional Airport and the Park Meadows Mall, as well as the retail and hospitality uses nearby. It also benefits from a strong surrounding residential base.
Assessor's Parcel ID:	2075-21-4-33-001
Property Interest:	Leased Fee Estate
Land Area:	3.24 acres / 141,075 square feet
Net Rentable Area:	234,915 square feet
Year of Completion:	2009
Condition:	Good
City Planning/Zoning:	The property is currently zoned TC, Town Center District, under the governing authority of the City of City of Greenwood Village. The subject falls within Planning Area B (PA-B) of the Greenwood Plaza South Master Plan Area (MDP). Permitted uses within this district include any combination of commercial, industrial, or residential uses permitted by an approved Preliminary Development Plan. The subject property has reportedly been developed in accordance with the development plan as approved by the City of Greenwood Village Planning Department. They specified development characteristics such as setbacks, parking, open space, density, landscaping, and other features. Changes to the zoning of the subject or adjacent properties appear unlikely in the foreseeable future. The property includes garage parking spaces, reflecting an overall parking ratio of 3.35 spaces per 1,000 square feet of net rentable area. The parking adequately supports the existing users and meets the zoning requirement of 2.91 spaces per 1,000 square feet.
Net Operating Income:	$5,117,930

Occupancy:	97%
Tenant Mix:	Charter Communications occupies 40.14% of the subject under the terms of both a direct lease and a sublease agreement, both of which expire in July, 2023. Regis University occupies 12.84% of the subject with an expiration date in June 2023. CB&T Federal Services occupies 12.55% of the subject with an expiration date in August 2019. Holland & Hart occupies 10.28% of the subject with an expiration date in May 2020.
Basis of Valuation:	Market Value – Subject to existing tenancies
Valuation Approaches:	Sales Comparison Approach and Income Capitalization Approach (Direct Capitalization and Yield Capitalization Methods)
Date of Valuation:	December 31, 2018
Market Value:	$90,600,000
Assumptions, Disclaimers:	In the course of this assignment, individual Appraisal Reports for each property in the portfolio have been prepared by Cushman & Wakefield for the referenced client. This valuation certificate is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout the Appraisal Report for this property, which are made in conjunction with those included within the Assumptions and Limiting Conditions section located within this report as well as any Extraordinary Assumptions. Furthermore, the conclusions summarized in this valuation certificate are based on the data, analyses and conclusions set forth in the individual Appraisal Reports, and it is necessary to have our individual Appraisal Reports to understand our valuation. This valuation is only for the use of the party to whom it is addressed and for the intended use stated in this report. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation.
Prepared By:	Cushman & Wakefield of Colorado, Inc. Michael J. Wood, MAI

VALUATION CERTIFICATE – VILLAGE CENTER STATION II, GREENWOOD VILLAGE, COLORADO

Property: Village Center Station II, 6360 South Fiddler's Green Circle, Greenwood Village, Arapahoe County, Colorado 80111

Client: DBS Trustee Limited (in its capacity as trustee of Prime US REIT)

Purpose of Valuation: Estimate Market Value to be used in connection with an initial public offering (IPO), with this summary to be included in the prospectus issued in connection with the IPO.

Date of Inspection: December 18, 2018

Type of Property Office Building - Mid Rise

Property Description: The property consists of a 12-story, Class A, single-tenant office building and adjacent wrapper building containing a total of 325,576 square feet of rentable area situated on a 225,628 square foot site. The improvements completed 2018. The subject is a newer state-of-the-art office building with an attractive appearance, a good design and functional floorplates. It is occupied by a single-tenant who uses the facility as a corporate office; as such there are many break rooms and kitchens; various conference rooms; storage/copy rooms; a fitness center with lockers, employee cafeteria, and an attached parking structure. The wrapper building features two levels of office space but more predominately numerous conference rooms. It will also have a coffee shop that will be operated by Starbucks by virtue of an agreement between them and Charter Communications.

Building Assessment: During the course of our site visit, the property was found to be of excellent quality construction and in excellent condition. After considering all of the physical characteristics of the subject, we have concluded that this property has an overall rating that is excellent, when measured against other properties in this marketplace.

Surrounding Infrastructure: The subject's immediate location is referenced as the Greenwood Plaza office submarket. Surrounding the subject property are several class A office buildings which represent some of the more upscale office buildings in that specific submarket.

The subject benefits to a good degree by its exposure and accessibility to Interstate 25, the availability to an adjacent light rail passenger station, its proximity to the Centennial Regional Airport and the Park Meadows Mall, as well as the retail and hospitality uses nearby. It also benefits from a strong surrounding residential base.

Assessor's Parcel ID: 2075-21-1-34-002

Property Interest: Leased Fee Estate

Land Area: 5.18 acres / 225,628 square feet

Net Rentable Area: 325,576 square feet

Year of Completion: 2018

Condition: Excellent

City Planning/Zoning: The property is currently zoned TC, Town Center District, under the governing authority of the City of City of Greenwood Village. The subject falls within Planning Area B (PA-B) of the Greenwood Plaza South Master Plan Area (MDP). Permitted uses within this district include any combination of commercial, industrial, or residential uses permitted by an approved Preliminary Development Plan. The subject property has reportedly been developed in accordance with the development plan as approved by the City of Greenwood Village Planning Department. They specified development characteristics such as setbacks, parking, open space, density, landscaping, and other features. Changes to the zoning of the subject or adjacent properties appear unlikely in the foreseeable future. The property includes garage parking spaces, reflecting an overall parking ratio of 3.75 spaces per 1,000 square feet of net rentable area. The parking

	adequately supports the existing users and meets the zoning requirement of 2.91 spaces per 1,000 square feet.
Net Operating Income:	$8,501,062
Occupancy:	100%
Tenant Mix:	Charter Communications Holding Company, LLC occupies the entire subject property under the terms of a ten-year triple net lease agreement which expires in May 2028. They also have either three-5 year options to renew or two-6 year options to renew.
Basis of Valuation:	Market Value – Subject to existing tenancy
Valuation Approaches:	Sales Comparison Approach and Income Capitalization Approach (Direct Capitalization and Yield Capitalization Methods)
Date of Valuation:	December 31, 2018
Market Value:	$146,500,000
Assumptions, Disclaimers:	In the course of this assignment, individual Appraisal Reports for each property in the portfolio have been prepared by Cushman & Wakefield for the referenced client. This valuation certificate is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout the Appraisal Report for this property, which are made in conjunction with those included within the Assumptions and Limiting Conditions section located within this report as well as any Extraordinary Assumptions. Furthermore, the conclusions summarized in this valuation certificate are based on the data, analyses and conclusions set forth in the individual Appraisal Reports, and it is necessary to have our individual Appraisal Reports to understand our valuation. This valuation is only for the use of the party to whom it is addressed and for the intended use stated in this report. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation.
Prepared By:	Cushman & Wakefield of Colorado, Inc. Michael J. Wood, MAI

VALUATION CERTIFICATE – 101 S HANLEY, CLAYTON, MISSOURI

Property:	101 S Hanley Road, Clayton, Saint Louis County, Missouri 63105
Client:	DBS Trustee Limited (in its capacity as trustee of Prime US REIT)
Purpose of Valuation:	Estimate Market Value to be used in connection with an initial public offering (IPO), with this summary to be included in the prospectus issued in connection with the IPO.
Date of Inspection:	January 4, 2018
Type of Property	Office Building - High Rise
Property Description:	The property consists of a 19-story, Class A, multi-tenant office building containing 360,505 square feet of rentable area situated on a 75,794 square foot site. The improvements were completed in 1986. The subject has a two story atrium lobby with two retail tenants and a restaurant. A central elevator core with restrooms, and common area corridors serves each floor. A subterranean parking garage is located beneath the building and is accessed by staircases and the two passenger elevators. Other building amenities include a fitness center and conference center.
Building Assessment:	During the course of our site visit, the property was found to be of good quality construction and in good condition. The subject has good market appeal with a good set of amenities, including an upscale steak restaurant on the first floor, fitness center, and underground parking garage. Ownership is currently in the process of updating common areas and elevators to keep the building fresh. After considering all of the physical characteristics of the subject, we have concluded that this property has an overall rating that is good, when measured against other properties in this marketplace.
Surrounding Infrastructure:	All of the boundary streets around the subject are primary thoroughfares in the neighborhood. These streets provide easy access throughout the Clayton Business District and the interstate highway system. Forest Park Parkway is an elevated limited access arterial in the area. Interstate 170 and Interstate 64 are located in close proximity to the subject property and serve as primary traffic arteries for St. Louis County and the St. Louis Metropolitan area. The MetroLink light rail system has stations two blocks west of the subject near Central Avenue and Shaw Park Drive, and two blocks northeast at Forsyth and Forest Park Parkway. The MetroBus system currently provides service to most portions of the St. Louis metropolitan area and is well represented in this portion of St. Louis County. Commercial air service is available from the Lambert-St. Louis International Airport. Often referred to as the “second downtown of St. Louis”, Clayton is a major employment center and upscale office district for the region. Major employers in the city include Centene Corporation, the St. Louis County government center, Washington University, Brown Shoe Company, Enterprise Rent-A-Car Company, Graybar Electric Company and various law firms and hotels. The neighborhood includes a mix of office towers, commercial and public use buildings, and one- and two-story storefront retail and office uses. There are significant residential uses along the interior secondary streets in the neighborhood.
Assessor's Parcel ID:	19K641241
Property Interest:	Leased Fee Estate
Land Area:	1.74 acres / 75,794 square feet

Net Rentable Area:	360,505 square feet
Year of Completion:	1986
Condition:	Good
City Planning/Zoning:	The property is currently zoned HDC, High Density Commercial District, under the governing authority of the City of Clayton, Missouri. Permitted uses within this district include office, retail, and various commercial uses. The property includes surface and garage parking spaces, reflecting an overall parking ratio of 2.53 spaces per 1,000 square feet of net rentable area. The parking adequately supports the existing users but does not meet current zoning requirement of 3.30 spaces per 1,000 square feet. The subject's floor area ratio and parking ratio were both verified to be pre-existing, legally non-conforming items based on our discussions with city planning officials.
Net Operating Income:	$6,008,987
Occupancy:	99%
Tenant Mix:	NISA Investment Advisor is the largest tenant in the subject with 68,167 square feet or 18.9 percent of the NRA and expires June 2022. Ascension Health Alliance is the second largest tenant with 35,966 square feet or 10.0 percent of the total area. Ascension's lease recently extended their lease until 2024. Stone Carlie & Company, LLC (formerly known as BDO, LLC) is the third largest tenant with 27,728 square feet or 7.7 percent of the total area and an August 2025 expiration. Combined these three tenants comprise nearly 37 percent of the total rentable area.
Basis of Valuation:	Market Value – Subject to existing tenancies
Valuation Approaches:	Sales Comparison Approach and Income Capitalization Approach (Direct Capitalization and Yield Capitalization Methods)
Date of Valuation:	December 31, 2018
Market Value:	$79,100,000
Assumptions, Disclaimers:	In the course of this assignment, individual Appraisal Reports for each property in the portfolio have been prepared by Cushman & Wakefield for the referenced client. This valuation certificate is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout the Appraisal Report for this property, which are made in conjunction with those included within the Assumptions and Limiting Conditions section located within this report as well as any Extraordinary Assumptions. Furthermore, the conclusions summarized in this valuation certificate are based on the data, analyses and conclusions set forth in the individual Appraisal Reports, and it is necessary to have our individual Appraisal Reports to understand our valuation. This valuation is only for the use of the party to whom it is addressed and for the intended use stated in this report. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation.
Prepared By:	Cushman & Wakefield of Illinois, Inc. TJ Hawks, MAI

VALUATION CERTIFICATE – TOWER 909, IRVING, TEXAS

Property:	Tower 909, 909 Lake Carolyn Pkwy, Irving, Dallas County, Texas 75039
Client:	DBS Trustee Limited (in its capacity as trustee of Prime US REIT)
Purpose of Valuation:	Estimate Market Value to be used in connection with an initial public offering (IPO), with this summary to be included in the prospectus issued in connection with the IPO.
Date of Inspection:	January 8, 2019
Type of Property	Office Building - High Rise
Property Description:	The property consists of a 19-story, Class A, multi-tenant office building containing 374,251 square feet of rentable area situated on a 154,403 square foot site. The improvements were completed in 1984. Parking is provided via an attached garage with 1,108 spaces, resulting in a parking ratio of 2.96 per 1,000 square feet of net rentable area
Building Assessment:	During the course of our site visit, the property was found to be of excellent quality construction and in good condition. The property is LEED Certified and has the Energy Star designation. It has capital and mechanical renovations, and high-quality finishes including marble in the lobby. The floor plates of approximately 18,500 square feet include floor-to-ceiling windows and are considered functional and desirable in the market. After considering all of the physical characteristics of the subject, we have concluded that this property has an overall rating that is good, when measured against other properties in this marketplace.
Surrounding Infrastructure:	Local area accessibility is good, relying on the nearby Highway 114, and minor thoroughfares O'Connor Blvd, and Lake Carolyn Parkway. Access to the roundabout in front of the main entrance to the lobby is provided from Lake Carolyn Parkway. The parking garage is accessible from both Lake Carolyn Parkway and O'Connor Boulevard. The terminal stop on the Las Colinas' Area Personal Transit System (the "APT"), and is adjacent to the Urban Center Station on the Orange Line of DART's light rail system. The Urban Center is the central core of the Las Colinas master-planned development, with numerous mid-rise and high-rise office buildings containing over five million square feet of net rentable area. Surrounding the subject along Las Colinas Boulevard within the Urban Center are similar Class A office buildings developed in the 1980s and an abundance of multi-family housing (including new projects under construction). To the west is John W. Carpenter freeway as well as other office buildings. North of the subject is a new, large mixed use entertainment complex called the Music Factory, a hotel, and a convention center, which together form a critical mass of demand drivers to the subject's area.
Assessor's Parcel ID:	32258820020010000
Property Interest:	Leased Fee Estate
Land Area:	3.54 acres / 154,403 square feet
Net Rentable Area:	374,251 square feet
Year of Completion:	1988
Condition:	Good
City Planning/Zoning:	The property is currently zoned S-P-2 for Freeway, under the governing authority of the City of Irving. Permitted uses within this district include office, retail, light industrial, auto

	service and various commercial uses. The property includes garage parking spaces, reflecting an overall parking ratio of 2.96 spaces per 1,000 square feet of net rentable area. The parking adequately supports the existing users.
Net Operating Income:	$4,699,169
Occupancy:	91%
Tenant Mix:	The property has 40 tenants, with high concentrations in energy and financial services sectors. Large tenants include Matheson Tri Gas with 63,455 square feet (17% of NRA) expiring in April 2027, Fleur De Lis Energy with over 30,000 square feet expiring in January 2022, and Medallion, with over 28,000 square feet leased through June of 2025.
Basis of Valuation:	Market Value – Subject to existing tenancies
Valuation Approaches:	Sales Comparison Approach and Income Capitalization Approach (Direct Capitalization and Yield Capitalization Methods)
Date of Valuation:	December 31, 2018
Market Value:	$76,200,000
Assumptions, Disclaimers:	In the course of this assignment, individual Appraisal Reports for each property in the portfolio have been prepared by Cushman & Wakefield for the referenced client. This valuation certificate is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout the Appraisal Report for this property, which are made in conjunction with those included within the Assumptions and Limiting Conditions section located within this report as well as any Extraordinary Assumptions. Furthermore, the conclusions summarized in this valuation certificate are based on the data, analyses and conclusions set forth in the individual Appraisal Reports, and it is necessary to have our individual Appraisal Reports to understand our valuation. This valuation is only for the use of the party to whom it is addressed and for the intended use stated in this report. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation.
Prepared By:	Cushman & Wakefield of Texas, Inc. Christopher A. Cauthen, MAI and Patrick Cauthen

VALUATION CERTIFICATE – PROMENADE I & II, SAN ANTONIO, TEXAS

Property:	Promenade I & II, 17802 & 17806 IH-10 W, San Antonio, Bexar County, Texas 78256
Client:	DBS Trustee Limited (in its capacity as trustee of Prime US REIT)
Purpose of Valuation:	Estimate Market Value to be used in connection with an initial public offering (IPO), with this summary to be included in the prospectus issued in connection with the IPO.
Date of Inspection:	December 20, 2018
Type of Property	Office Building - Mid Rise
Property Description:	The property consists of a 4-story, Class A, multi-tenant office building containing 205,773 square feet of rentable area situated on a 272,766 square foot site. The improvements were completed in 2011. The property consists of two buildings, both with attached parking garages that supply the property with a parking ratio of 4 spaces per 1,000 square feet of NRA. The property is located within the Eilan mixed-use development. Eilan features a 165-room boutique hotel, restaurants, retail and office space surrounding a piazza with Tuscan-style stucco exteriors, stone facades and clay-tiled roofs. Additionally, there is a 539-unit Class A apartment complex with a pool, fitness center, tennis courts and billiards room.
Building Assessment:	During the course of our site visit, the property was found to be of good quality construction and in good condition. The property was constructed in 2011 and represents one of the highest quality Class A office buildings in the market. The subject is superior to nearly all large office buildings over 100,000 square feet in the market except for the recently developed Landmark One and the proposed Frost Tower in the CBD (currently under construction). Given its high quality finishes, the subject property commands some of the highest office rental rates in San Antonio. After considering all of the physical characteristics of the subject, we have concluded that this property has an overall rating that is good, when measured against other properties in this marketplace.
Surrounding Infrastructure:	The subject property has good access and frontage via West Interstate 10. Additionally, Loop 1604 is located approximately one mile south of the subject. San Antonio International Airport is located approximately 10 miles southeast of the subject. The surrounding area of the subject property represents one of the top destinations in the San Antonio market for retail and office tenants. The La Cantera master-planned community is located just south of the property and The Rim is located just east of the subject. These communities offer Class A retail, multi-family and office uses that have some of the highest rental rates in the area. Additionally, the surrounding single-family residential communities feature high-end housing product that caters to executives occupying office space in the surrounding area.
Assessor's Parcel ID:	1202317 and 1202318
Property Interest:	Leased Fee Estate
Land Area:	6.26 acres / 272,766 square feet
Net Rentable Area:	205,773 square feet
Year of Completion:	2011
Condition:	Good
City Planning/Zoning:	The property is currently zoned MPCD - Master Planned Community Districts, under the governing authority of the City of City of San Antonio. An "MPCD" may include both residential and commercial uses. In particular, all residential single-family (including gated communities) and multi-family uses; "O-1" and "O-2" office uses; and "NC," "C-1," "C-2," and "C-3" commercial uses, are specifically permitted in the "MPCD" zoning

	base district. The property includes surface parking spaces, reflecting an overall parking ratio of 4.00 spaces per 1,000 square feet of net rentable area. The parking adequately supports the existing users and meets the zoning requirement of 1 space per 300 square feet.
Net Operating Income:	$4,903,739
Occupancy:	99.8%
Tenant Mix:	The subject property is currently 99.5 percent leased. Notable tenants at the property include Apache (approximately 33 percent of the space with various expiration dates), KPMG and Merrill Lynch. The in place rental rates at the property are approximately 4 percent below market and there is limited near term lease exposure
Basis of Valuation:	Market Value – Subject to existing tenancies
Valuation Approaches:	Sales Comparison Approach and Income Capitalization Approach (Direct Capitalization and Yield Capitalization Methods)
Date of Valuation:	December 31, 2018
Market Value:	$72,000,000
Assumptions, Disclaimers:	In the course of this assignment, individual Appraisal Reports for each property in the portfolio have been prepared by Cushman & Wakefield for the referenced client. This valuation certificate is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout the Appraisal Report for this property, which are made in conjunction with those included within the Assumptions and Limiting Conditions section located within this report as well as any Extraordinary Assumptions. Furthermore, the conclusions summarized in this valuation certificate are based on the data, analyses and conclusions set forth in the individual Appraisal Reports, and it is necessary to have our individual Appraisal Reports to understand our valuation. This valuation is only for the use of the party to whom it is addressed and for the intended use stated in this report. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation.
Prepared By:	Cushman & Wakefield of Texas, Inc. Chris Geggatt, MAI, MRICS

VALUATION CERTIFICATE – CROSSPOINT, WAYNE (TREDYFFRIN TOWNSHIP), PENNSYLVANIA

Property:	CrossPoint, 550 E. Swedesford Road, Wayne (Tredyffrin Township), Chester County, Pennsylvania 19347
Client:	DBS Trustee Limited (in its capacity as trustee of Prime US REIT)
Purpose of Valuation:	Estimate Market Value to be used in connection with an initial public offering (IPO), with this summary to be included in the prospectus issued in connection with the IPO.
Date of Inspection:	December 21, 2018
Type of Property	Office Building - Mid Rise
Property Description:	The property consists of a 4-story, Class A, multi-tenant office building containing 272,360 square feet of rentable area situated on a 1,058,072 square foot site. The improvements were completed in 1974. The property originally comprised two adjoining buildings that were later connected via an atrium lobby when the property underwent a complete, gut renovation in 2014-2015. There is covered parking at each end of the building.
Building Assessment:	During the course of our site visit, the property was found to be of good quality construction and in good condition. The subject is considered to be one of the highest quality office buildings within the suburban Philadelphia market. It is located within the heavily desired Swedesford Road corridor in the King of Prussia submarket, with good access to local highways. After considering all of the physical characteristics of the subject, we have concluded that this property has an overall rating that is excellent, when measured against other properties in this marketplace.
Surrounding Infrastructure:	The subject adjoins the Route 202 on/off ramp, and has good access to local highways including I-76, 276, and 476. There is local bus transit, and ownership provides shuttle access to a nearby commuter rail station. Paragraph 2: The local area is a mix of low-rise office buildings, residential areas, and retail areas including the nationally known King of Prussia Mall and the recently developed King of Prussia Town Center.
Assessor's Parcel ID:	43-06E-0100.0300
Property Interest:	Leased Fee Estate
Land Area:	24.29 acres / 1,058,072 square feet
Net Rentable Area:	272,360 square feet
Year of Completion:	1974; complete renovation in 2014-2015
Condition:	Good
City Planning/Zoning:	The property is currently zoned O, Office, under the governing authority of Tredyffrin Township. Permitted uses within this district include office, business or private school, TV or radio studio, and other uses outlined in the ordinance. The property includes surface and garage parking spaces, reflecting an overall parking ratio of 3.50 spaces per 1,000 square feet of net rentable area. The parking adequately supports the existing users and complies with the municipal ordinance.
Net Operating Income:	$6,639,324
Occupancy:	100%
Tenant Mix:	Major tenants include Teleflex (84,008 sf: 9/24 expiration); Tivo (64,967 sf: 10/25); and Medecision (24,726 sf; 9/22). There is only 10 percent potential rollover during the first

	four years, and less than 22% during the first five years. The subject rents are among the highest rents being achieved in suburban Philadelphia.
Basis of Valuation:	Market Value – Subject to existing tenancies
Valuation Approaches:	Sales Comparison Approach and Income Capitalization Approach (Direct Capitalization and Yield Capitalization Methods)
Date of Valuation:	December 31, 2018
Market Value:	$98,000,000
Assumptions, Disclaimers:	In the course of this assignment, individual Appraisal Reports for each property in the portfolio have been prepared by Cushman & Wakefield for the referenced client. This valuation certificate is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout the Appraisal Report for this property, which are made in conjunction with those included within the Assumptions and Limiting Conditions section located within this report as well as any Extraordinary Assumptions. Furthermore, the conclusions summarized in this valuation certificate are based on the data, analyses and conclusions set forth in the individual Appraisal Reports, and it is necessary to have our individual Appraisal Reports to understand our valuation. This valuation is only for the use of the party to whom it is addressed and for the intended use stated in this report. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation.
Prepared By:	Cushman & Wakefield of Pennsylvania, LLC David C. Curran, MAI, AI-GRS; Erick J. Mazzoni, MAI, MRICS

VALUATION CERTIFICATE – ONE WASHINGTONIAN CENTER, GAITHERSBURG, MARYLAND

Property:	One Washingtonian Center, 9801 Washingtonian Boulevard, Gaithersburg, Montgomery County, Maryland 20878
Client:	DBS Trustee Limited, (in its capacity as trustee of Prime US REIT)
Purpose of Valuation:	Estimate Market Value to be used in connection with an initial public offering (IPO), with this summary to be included in the prospectus issued in connection with the IPO.
Date of Inspection:	January 4, 2019
Type of Property	Office Building - Mid Rise
Property Description:	The property consists of a 13-story, Class A, multi-tenant office building containing 314,175 square feet of rentable area situated on a 222,156 square foot site. The improvements were completed in 1989. The subject is primarily leased to Sodexo, which occupied the top four floors. There is a cafeteria on the ground floor and the building fronts on a lake.
Building Assessment:	During the course of our site visit, the property was found to be of good quality construction and in good condition. Office areas are located along the perimeter and contain a combination of open, bullpen areas and private offices, in addition to conference and employee break rooms. The interior office areas have an upgraded office finish and are similar, or superior, to most competitors in the area. The lower level is mainly storage and support space. It has no window lines. After considering all of the physical characteristics of the subject, we have concluded that this property has an overall rating that is good, when measured against other properties in this marketplace.
Surrounding Infrastructure:	The neighborhood has excellent accessibility within Montgomery County and the rest of the metropolitan area. Interstate 270 is easily accessible from the subject via Montgomery Village Avenue. Interstate 270 is a heavily traveled east/west connecting the Capital Beltway (Interstate 495) to the east and the City of Frederick to the west. Metrorail's Red Line services Montgomery County, following the east/west path along Route 355 through most of the area. The closest metro stop near the subject (Shady Grove) is located several miles southeast, on the east side of Route 355. Metrobus provides extensive services along Route 355. Gaithersburg is home to more than 2,000 businesses. Corporate growth in the last 20 years has been concentrated in technology industries. Some major employers include Genetic Therapy, Hughes Network Systems, IBM, Lockheed Martin Federal Systems, MedImmune, National Institute of Standards and Technology, Gene Logic, Sodexho, Marriott, Digene and GE Information Services. The local market area is at the north end of the I-270 Corridor in Montgomery County. This area has experienced significant development and economic growth over the last 20 years, and has become known as Maryland's bio-tech corridor due to the high concentration of such businesses in the vicinity of the Shady Grove Adventist Hospital and a campus of John Hopkins University. The Class A office market in the immediate area had been relatively stable over the prior five years. Rental rates have generally increased. Growth here has less exposed than Rockville to the Department of Health and Human Services potential cutbacks but severe cuts by the agency that oversees NIH and the FDA could depress rent growth in the county. However, the submarket has a high concentration of medical and bio-science companies, which may drive demand for space. The subject is considered a Class A office complex by market participants based on its quality, condition and tenancy. The subject benefits from being located within a well-established submarket centrally located within the Baltimore-Washington Corridor, proximate to primary demand generators and local area amenities. In addition, the

	subject is located within the community of Gaithersburg, which has a significant household base that supports professional and financial services and healthcare-related office tenancy. The subject also benefits from being located near major thoroughfares and public transportation with good accessibility from surrounding markets, although its distance from a Metro station is a negative. The subject's immediate market reflects a competitive supply of available office space with stable rental rates.
Assessor's Parcel ID:	Tax Map FS52 Parcel N493
Property Interest:	Leased Fee Estate
Land Area:	5.10 acres / 222,156 square feet
Net Rentable Area:	314,175 square feet
Year of Completion:	1989
Condition:	Good
City Planning/Zoning:	The property is currently zoned MXD, under the governing authority of the City of City of Gaithersburg. Permitted uses within this district include large scales master planned, multi-use developments including residential and commercial uses. The property includes surface and garage parking spaces, reflecting an overall parking ratio of 3.90 spaces per 1,000 square feet of net rentable area. The parking adequately supports the existing users and meets the zoning requirement of 3.0 spaces per 1,000 square feet.
Net Operating Income:	$6,723,115
Occupancy:	96%
Tenant Mix:	Sodexo is the primary tenant with approximately 61 percent of the total NRA and has signage on the exterior of the building. Covance is the next largest tenant with approximately 15 percent of the NRA.
Basis of Valuation:	Market Value – Subject to existing tenancies
Valuation Approaches:	Sales Comparison Approach and Income Capitalization Approach (Direct Capitalization and Yield Capitalization Methods)
Date of Valuation:	December 31, 2018
Market Value:	$102,000,000
Assumptions, Disclaimers:	In the course of this assignment, individual Appraisal Reports for each property in the portfolio have been prepared by Cushman & Wakefield for the referenced client. This valuation certificate is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout the Appraisal Report for this property, which are made in conjunction with those included within the Assumptions and Limiting Conditions section located within this report as well as any Extraordinary Assumptions. Furthermore, the conclusions summarized in this valuation certificate are based on the data, analyses and conclusions set forth in the individual Appraisal Reports, and it is necessary to have our individual Appraisal Reports to understand our valuation. This valuation is only for the use of the party to whom it is addressed and for the intended use stated in this report. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation.
Prepared By:	Cushman & Wakefield of Washington, D.C., Inc. Neal A. Eaton, MAI

VALUATION CERTIFICATE – RESTON SQUARE, RESTON, VIRGINIA

Property: Reston Square, 11790 Sunrise Valley Drive, Reston, Fairfax County, Virginia 20191

Client: DBS Trustee Limited (in its capacity as trustee of Prime US REIT)

Purpose of Valuation: Estimate Market Value to be used in connection with an initial public offering (IPO), with this summary to be included in the prospectus issued in connection with the IPO.

Date of Inspection: December 3, 2018

Type of Property: Office Building - Mid Rise

Property Description: The subject is a Class A, multi-tenant office building located on the north side of Sunrise Valley Drive with frontage along the Dulles Toll Road in the Reston area of Fairfax County, Virginia. The building is situated on a 1.95 acre site that is part of Reston Heights mixed-use development. The six-story office building was developed in 2007 and contains 138,995 square feet of net rentable area. The subject shares a 665-space below-grade parking garage and 55 space surface parking area with the adjacent property, of which 655 garage spaces and 36 surface spaces for a total of 477 parking spaces are allocated to the subject. Reston Square is certified LEED Silver and amenities include tenant-only fitness center and rooftop terrace.

Building Assessment: During the course of our site visit, the property was found to be of good quality construction and in good condition. The subject is competitive within the Reston submarket due to its location, the quality of the building and its functional floor plate of slightly less than 20,000 square feet. The toll road exposure offers tenants signage opportunities. The building has limited amenities when compared to newer Class A office building and the subject location has limited retail options, which is plentiful on the north side of the toll road. After considering all the physical and location characteristics of the subject, we conclude that the subject has an overall rating that is good when measured against other properties in this marketplace.

Surrounding Infrastructure: The subject is located along the northern side of Sunrise Valley Drive in the Reston area of Fairfax County, Virginia. Located along the south side of the Dulles Toll Road, and just east Reston Parkway, the subject is part of the Reston Heights planned unit development that is proximate to local neighborhood amenities such as Reston Town Center and the future Reston Town Center Metrorail station. Additionally, the subject is approximately 0.75 miles west of the Wiehle-Reston Metrorail station and less than five miles east of Washington Dulles International Airport.

Reston is located in the northwest section of Fairfax County, approximately 18 miles west of Washington, DC. It is west of Interstate 495 (The Capital Beltway), and is considered to be "outside The Beltway." Reston is a self-contained community of approximately 60,000 residents that was started in the 1960s as one of the HUD sponsored "new communities."

The focal point for the community is the Reston Town Center, which initially opened in 1990. Located off Reston Parkway it encompasses 460 acres and is home to offices, retail, hotel, entertainment, outdoor/recreational, and residential uses. The 85-acre Town Center core, northwest of Reston Avenue and Sunset Hills Road, includes the two original Class A, eleven-story office buildings and the 514-room, Hyatt Regency Hotel. Additionally, there are street-level retail shops, restaurants, and a movie theater, along with parking for 3,000 vehicles. Two additional 16-story office buildings were delivered in 2001 and three more office buildings were delivered in 2008. In 2018, it was announced that Boston Properties signed both Fannie Mae and Leidos for to-be-built office buildings. Fannie Mae will occupy 850,000 square feet of the 1.0-million-square-foot planned development at Reston Gateway, while Leidos signed to occupy the entire 280,000-square-feet at 17Fifty at Reston Town Center planned development. Combined, Reston Town Center now has over two million square feet of Class A office space, which obtains some of the highest rental rates in Fairfax County.

Assessor's Parcel ID:	0174-31-01
Property Interest:	Leased Fee Estate
Land Area:	1.95 acres / 84,997 square feet
Net Rentable Area:	138,995 square feet
Year of Completion:	2007
Condition:	Good
City Planning/Zoning:	The property is currently zoned PRC – Planned Residential Community, under the governing authority of Fairfax County, Virginia. This district follows the Reston Master Plan and uses are specific to planned development approval. The subject is part of the Reston Heights mixed-use development which is fully developed with office and hotel uses. The property shares a 665-space below-grade parking garage and 55 space surface parking area with the adjacent property, of which 655 garage spaces and 36 surface spaces for a total of 477 parking spaces are allocated to the subject. The parking ratio is 3.43 spaces per 1,000 square feet of net rentable area. The parking adequately supports the existing use and meets the zoning requirement of three spaces per 1,000 square feet.
Net Operating Income:	$3,657,003
Occupancy:	96.92%
Tenant Mix:	Reston Square's occupancy declined in the latter half of 2018, as Liberty Mutual Insurance Group vacated 4,227 square feet of first floor office space in September 2018. Thus, Reston Square is 96.92 percent leased to seven tenants, with largest tenants being Whitney, Bradley & Brown (73,511 square feet), SES Government Solutions (22,625 square feet), and The Washington Group (8,835 square feet). There is also one ground floor medical tenant – Smile Wonders. The average contract rent is $40.59 per square foot, which is 10.25 percent above market. There is little to no rollover risk near-term, as none of the leases encumbering the subject are scheduled until 2022. That said, Whitney, Bradley & Brown's 73,511-square foot lease is scheduled to expire in July 2022, which accounts for approximately 52.89 percent of the subject's net rentable area. On the positive side, information provided by ownership indicates the tenant is exploring a potential renewal that would involve consolidating the leased premises.
Basis of Valuation:	Market Value – Subject to existing tenancies
Valuation Approaches:	Sales Comparison Approach and Income Capitalization Approach (Direct Capitalization and Yield Capitalization Methods)
Date of Valuation:	December 31, 2018
Market Value:	$52,100,000
Assumptions, Disclaimers:	In the course of this assignment, individual Appraisal Reports for each property in the portfolio have been prepared by Cushman & Wakefield for the referenced client. This valuation certificate is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout the Appraisal Report for this property, which are made in conjunction with those included within the Assumptions and Limiting Conditions section located within this report as well as any Extraordinary Assumptions. Furthermore, the conclusions summarized in this valuation certificate are based on the data, analyses and conclusions set forth in the individual Appraisal Reports, and it is necessary to have our individual Appraisal Reports to understand our valuation. This valuation is only for the use of the party to whom it is addressed and for the intended use stated in this report. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation.

Prepared By:	Cushman & Wakefield of Washington, DC, Inc. Lynda Gallagher, MAI

VALUATION CERTIFICATE – 171 SEVENTEENTH STREET, ATLANTA, GEORGIA

Property:	171 Seventeenth Street, 171 17th Street NW, Atlanta, Fulton County, Georgia 30363
Client:	DBS Trustee Limited (in its capacity as trustee of Prime US REIT)
Purpose of Valuation:	Estimate Market Value to be used in connection with an initial public offering (IPO), with this summary to be included in the prospectus issued in connection with the IPO.
Date of Inspection:	December 20, 2018
Type of Property	Office Building - High Rise
Property Description:	The property consists of a 22-story, Class A, multi-tenant office building containing 510,268 square feet of rentable area situated on a 29,621 square foot site. The improvements were completed in 2004. The subject includes various common amenities such as showers, bicycle storage, and multiple conference rooms available for tenant usage. Additionally, the subject is located on top of a four story parking garage that services the entire Atlantic Station mixed use development.
Building Assessment:	During the course of our site visit, the property was found to be of excellent quality construction and in excellent condition. Overall, the building is one of the newer Class A office buildings in the Atlanta MSA and therefore has excellent market appeal in terms of the overall market competition. After considering all of the physical characteristics of the subject, we have concluded that this property has an overall rating that is excellent, when measured against other properties in this marketplace.
Surrounding Infrastructure:	Direct access to the subject is obtained via 17th Street which can be accessed directly from either Interstate 75/85 North or South relatively easily. The subject can access the Art Center MARTA station, via the complimentary Atlantic Station bus. The Hartsfield Jackson Atlanta Airport is located thirteen miles southwest of the subject location and serves as the region's international gateway. The subject is located within the Atlantic Station mixed use development, which is the redevelopment of the former 140-acre Atlantic Steel Mill, the latter of which opened in 1901 and closed in the mid-1970s. Located along the west side of the Downtown Connector from Midtown, this site is a former brownfield reclamation project that was developed with 12 million square feet of retail, office, residential, and hotel facilities, and the first residents moved in October 2003. The development consists of one million square feet of open-air retail and entertainment, including six mixed-use buildings with entertainment, shops and restaurants. The development also includes approximately 1.4 million square feet of office space in high rise and mid-rise buildings.
Assessor's Parcel ID:	17 010800010673
Property Interest:	Leased Fee Estate
Land Area:	0.68 acres / 29,621 square feet
Net Rentable Area:	510,268 square feet
Year of Completion:	2004
Condition:	Excellent
City Planning/Zoning:	The property is currently zoned C-4-C: Central Area Commercial Residential-Conditional, under the governing authority of the City of Atlanta. Permitted uses within this district include office, retail, multifamily, religious, clubs/lodges, hospitals, hotels/motels, and various other commercial uses. The property includes garage parking spaces, reflecting an overall parking ratio of 2.35 spaces per 1,000 square feet

	of net rentable area. The parking adequately supports the existing users and meets the zoning requirement of 1.0 spaces per 1,000 square feet.
Net Operating Income:	$11,579,867
Occupancy:	100%
Tenant Mix:	The property is currently 100.00 percent occupied by 18 tenants at an average contract rent of $20.80 per square foot. Wells Fargo is the primary credit tenant in the building and occupies approximately 30 percent of the space. The highest year of turnover occurs in year two with approximately 40 percent; however, the remaining scheduled turnover during the holding period is relatively stable. Overall, the occupancy is above that of the Class A submarket at approximately 89 percent.
Basis of Valuation:	Market Value – Subject to existing tenancies
Valuation Approaches:	Sales Comparison Approach and Income Capitalization Approach (Direct Capitalization and Yield Capitalization Methods)
Date of Valuation:	December 31, 2018
Market Value:	$180,000,000
Assumptions, Disclaimers:	In the course of this assignment, individual Appraisal Reports for each property in the portfolio have been prepared by Cushman & Wakefield for the referenced client. This valuation certificate is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout the Appraisal Report for this property, which are made in conjunction with those included within the Assumptions and Limiting Conditions section located within this report as well as any Extraordinary Assumptions. Furthermore, the conclusions summarized in this valuation certificate are based on the data, analyses and conclusions set forth in the individual Appraisal Reports, and it is necessary to have our individual Appraisal Reports to understand our valuation. This valuation is only for the use of the party to whom it is addressed and for the intended use stated in this report. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation.
Prepared By:	Cushman & Wakefield of Georgia, LLC James O'Neil, MAI and C. Clayton Davie, MAI, MRICS

Assumptions and Limiting Conditions

"Report" means the appraisal or consulting report and conclusions stated therein, to which these Assumptions and Limiting Conditions are annexed.

"Property" means the subject of the Report.

"Cushman & Wakefield" means Cushman & Wakefield, Inc. or its subsidiary that issued the Report.

"Appraiser(s)" means the employee(s) of Cushman & Wakefield who prepared and signed the Report.

The Report has been made subject to the following assumptions and limiting conditions:

- No opinion is intended to be expressed and no responsibility is assumed for the legal description or for any matters that are legal in nature or require legal expertise or specialized knowledge beyond that of a real estate appraiser. Title to the Property is assumed to be good and marketable and the Property is assumed to be free and clear of all liens unless otherwise stated. No survey of the Property was undertaken.
- The information contained in the Report or upon which the Report is based has been gathered from sources the Appraiser assumes to be reliable and accurate. The owner of the Property may have provided some of such information. Neither the Appraiser nor Cushman & Wakefield shall be responsible for the accuracy or completeness of such information, including the correctness of estimates, opinions, dimensions, sketches, exhibits and factual matters. Any authorized user of the Report is obligated to bring to the attention of Cushman & Wakefield any inaccuracies or errors that it believes are contained in the Report.
- The opinions are only as of the date stated in the Report. Changes since that date in external and market factors or in the Property itself can significantly affect the conclusions in the Report.
- The Report is to be used in whole and not in part. No part of the Report shall be used in conjunction with any other analyses. Publication of the Report or any portion thereof without the prior written consent of Cushman & Wakefield is prohibited. Reference to the Appraisal Institute or to the MAI designation is prohibited. Except as may be otherwise stated in the letter of engagement, the Report may not be used by any person(s) other than the party(ies) to whom it is addressed or for purposes other than that for which it was prepared. No part of the Report shall be conveyed to the public through advertising, or used in any sales, promotion, offering or SEC material without Cushman & Wakefield's prior written consent. Any authorized user(s) of this Report who provides a copy to, or permits reliance thereon by, any person or entity not authorized by Cushman & Wakefield in writing to use or rely thereon, hereby agrees to indemnify and hold Cushman & Wakefield, its affiliates and their respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the Report by any such unauthorized person(s) or entity(ies).
- Except as may be otherwise stated in the letter of engagement, the Appraiser shall not be required to give testimony in any court or administrative proceeding relating to the Property or the Appraisal.
- The Report assumes (a) responsible ownership and competent management of the Property; (b) there are no hidden or unapparent conditions of the Property, subsoil or structures that render the Property more or less valuable (no responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them); (c) full compliance with all applicable federal, state and local zoning and environmental regulations and laws, unless noncompliance is stated, defined and considered in the Report; and (d) all required licenses, certificates of occupancy and other governmental consents have been or can be obtained and renewed for any use on which the value opinion contained in the Report is based.
- The physical condition of the improvements considered by the Report is based on visual inspection by the Appraiser or other person identified in the Report. Cushman & Wakefield assumes no responsibility for the soundness of structural components or for the condition of mechanical equipment, plumbing or electrical components.
- The forecasted potential gross income referred to in the Report may be based on lease summaries provided by the owner or third parties. The Report assumes no responsibility for the authenticity or completeness of lease information provided by others. Cushman & Wakefield recommends that legal advice be obtained regarding the interpretation of lease provisions and the contractual rights of parties.

- The forecasts of income and expenses are not predictions of the future. Rather, they are the Appraiser's best opinions of current market thinking on future income and expenses. The Appraiser and Cushman & Wakefield make no warranty or representation that these forecasts will materialize. The real estate market is constantly fluctuating and changing. It is not the Appraiser's task to predict or in any way warrant the conditions of a future real estate market; the Appraiser can only reflect what the investment community, as of the date of the Report, envisages for the future in terms of rental rates, expenses, and supply and demand.
- Unless otherwise stated in the Report, the existence of potentially hazardous or toxic materials that may have been used in the construction or maintenance of the improvements or may be located at or about the Property was not considered in arriving at the opinion of value. These materials (such as formaldehyde foam insulation, asbestos insulation and other potentially hazardous materials) may adversely affect the value of the Property. The Appraisers are not qualified to detect such substances. Cushman & Wakefield recommends that an environmental expert be employed to determine the impact of these matters on the opinion of value.
- Unless otherwise stated in the Report, compliance with the requirements of the Americans with Disabilities Act of 1990 (ADA) has not been considered in arriving at the opinion of value. Failure to comply with the requirements of the ADA may adversely affect the value of the Property. Cushman & Wakefield recommends that an expert in this field be employed to determine the compliance of the Property with the requirements of the ADA and the impact of these matters on the opinion of value.
- If the Report is submitted to a lender or investor with the prior approval of Cushman & Wakefield, such party should consider this Report as only one factor, together with its independent investment considerations and underwriting criteria, in its overall investment decision. Such lender or investor is specifically cautioned to understand all Extraordinary Assumptions and Hypothetical Conditions and the Assumptions and Limiting Conditions incorporated in this Report.
- Subject to applicable laws and regulations (including the Singapore Securities and Futures Act, Chapter 289 of Singapore) its sole and exclusive remedy for any and all losses or damages relating to this agreement or the appraisal shall be limited to two millions dollars ($2.0 million). In the event that the Client, or any other party entitled to do so, makes a claim against Cushman & Wakefield or any of its affiliates or any of their respective officers or employees in connection with or in any way relating to this engagement or the appraisal, the maximum damages recoverable from Cushman & Wakefield or any of its affiliates or their respective officers or employees shall be subject to applicable laws and regulations (including the Singapore Securities and Futures Act, Chapter 289 of Singapore) limited to two million dollars ($2.0 million) and under no circumstances shall any claim for consequential damages be made.
- If the Report is referred to or included in any offering material or prospectus, the Report shall be deemed referred to or included for informational purposes only and Cushman & Wakefield, its employees and the Appraiser have no liability to such recipients. Cushman & Wakefield disclaims any and all liability to any party other than the party that retained Cushman & Wakefield to prepare the Report.
- Unless otherwise noted, we were not given a soil report to review. However, we assume that the soil’s load-bearing capacity is sufficient to support existing and/or proposed structure(s). We did not observe any evidence to the contrary during our physical inspection of the property. Drainage appears to be adequate.
- Unless otherwise noted, we were not given a title report to review. We do not know of any easements, encroachments, or restrictions that would adversely affect the site’s use. However, we recommend a title search to determine whether any adverse conditions exist.
- Unless otherwise noted, we were not given a wetlands survey to review. If subsequent engineering data reveal the presence of regulated wetlands, it could materially affect property value. We recommend a wetlands survey by a professional engineer with expertise in this field.
- Unless otherwise noted, we observed no evidence of toxic or hazardous substances during our inspection of the site. However, we are not trained to perform technical environmental inspections and recommend the hiring of a professional engineer with expertise in this field.
- Unless otherwise noted, we did not inspect the roof nor did we make a detailed inspection of the mechanical systems. The appraisers are not qualified to render an opinion regarding the adequacy or condition of these components. The client is urged to retain an expert in this field if detailed information is needed.
- By use of this Report each party that uses this Report agrees to be bound by all of the Assumptions and Limiting Conditions, Hypothetical Conditions and Extraordinary Assumptions stated herein.

Certification of Appraisal

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- An employee of C&W made a personal inspection of all the properties that are the subject of this report. Judson H. Cline, MAI, MRICS did not make a personal inspection of the property that is the subject of this report.
- We have performed previous appraisal services on all properties within the past 3 years.
- Please refer to the individual reports which specify whether C&W has provided prior services regarding the subject properties within the past three years.
- The individuals noted below provided significant real property appraisal assistance to the persons signing this report. These individuals are licensed in the states where the properties are located, inspected the properties, performed all the due diligence and market research, developed the individual property values, and/or reviewed the individual reports. These individuals are as follows: Jason Garlock, MAI; Michael Wood, MAI; James O'Neil, MAI, C. Clayton Davie, MAI, MRICS; Neal Eaton, MAI; Jason S. Bitter, MAI; David C. Curran, MAI, AI-GRS; Chris Geggatt, MAI, MRICS; Christopher A. Cauthen, MAI; Patrick Cauthen; Tyler Dustman, MAI; Lynda Gallagher, MAI.
- As of the date of this report, Judson H. Cline, MAI, MRICS has completed the continuing education program for Designated Members of the Appraisal Institute.

Judson H. Cline, MAI, MRICS
Senior Director
California Certified General Appraiser
License No. AG027622
judson.cline@cushwake.com
916-473-7396 Office Direct

INDEPENDENT PROPERTY MARKET RESEARCH REPORTS

CUSHMAN & WAKEFIELD

INDEPENDENT MARKET RESEARCH REPORT

An independent review of office markets
As of December 31, 2018

United States Office Market

11 Properties in 9 Market Across the Country

Prepared For:

DBS Trustee Limited (in its capacity as trustee of Prime US REIT)

Prepared By:

Cushman & Wakefield Western, Inc.
Valuation & Advisory
400 Capitol Mall, Suite 1800
Sacramento, CA 95814
Cushman & Wakefield File ID: 19-38032-900002-001

Table of Contents

Executive Summary 4
- The United States Office Market 4
- The Portfolio 6

National Overview – United States of America 13
- Overview 13
- Business Trends 14
- Labor Markets 15
- Political Climate 17
- Implications for Commercial Real Estate 18
- Offshore Investment 20
- Conclusion 20

National Office Market 22
- Overview 22
- National Office Market Statistics 23
- National Office Investment Sales Market 25
- National Office Market Summary 29

San Francisco Bay Area (Oakland), California 31
- Oakland Office Market and North Alameda Office Submarket 35
- Subject – Tower I at Emeryville 40

Salt Lake City, UT 45
- Salt Lake City Office Market and Central Business District Office Submarket 49
- Subject – 222 Main 53

Denver, Colorado 57
- Denver Office Market and Southeast Suburban Office Submarket 60
- Subject – Village Center Station I 65
- Subject – Village Center Station II 70

St. Louis, Missouri 73
- St Louis Office Market and Clayton Office Submarket 77
- Subject – 101 South Hanley 82

Irving, TX 87
- Dallas Office Market and Las Colinas Office Submarket 92
- Subject – Tower 909 97

San Antonio, TX 103
- San Antonio Office Market and West Office Submarket 107
- Subject – Promenade I & II 112

Wayne, Pennsylvania 118
- Philadelphia Office Market and King of Prussia Office Submarket 122
- Subject – CrossPoint 127

Washington D.C. Area - Suburban Maryland - Gaithersburg 131
- Suburban Maryland Office and I-270/Gaithersburg-Germantown Office Submarket 136
- Subject – One Washingtonian Center 141

Washington D.C. Area – Suburban Virginia - Reston 145
- Suburban Virginia Office Market and Reston Office Submarket 145
- Subject – Reston Square at Reston Heights 150

Atlanta, Georgia 156

Atlanta Office Market and Midtown/Pershing/Brookwood Office Submarket....................160
Subject – 171 Seventeenth Street....................165
Addenda Contents....................171

Executive Summary

The United States Office Market

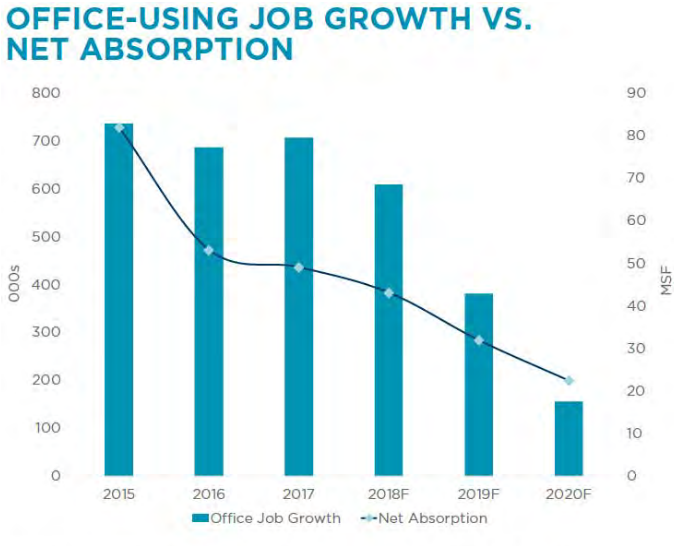
The office sector is facing a number of underlying dynamics that is expected to gradually push vacancy rates higher (from 13.2% in 2017 to 13.5% at the end of 2018. Although headline office-using job growth reaccelerated in 2017 to 707,000 from 688,000 in 2016, we expect it to decelerate as broader momentum in labor markets faces the headwinds that accompany tight unemployment. High-tech job growth, another major driver of both traditional office and Flex/R&D space, will mimic this path.

Demand for office space has already begun to decelerate. It peaked at 81 msf in 2015, slowed to 53.2 msf in 2016, and then to 49.1 msf in 2017. Some of that is due to the density trend—fewer square feet per worker—while some is due to slowing job growth due to tight unemployment in the major office-absorbing markets, including New York, Los Angeles and San Francisco. Some fall-off of demand is simply due to the maturity of the cycle which has businesses taking a more cautious approach. Our forecast calls for 1.1 million new office-using jobs to be created over the next three years—roughly half the 2.1 million-job pace from 2015 to 2017.

Although absorption rates are compressing in the office sector, leasing activity remains robust. In 2017, new leasing activity totaled 314.5 msf—the first time during this cycle that the 300 msf threshold was surpassed. Notably, new leasing volume rose across all regions from 2016 to 2017. The high-tech, business services, financial services and healthcare/life sciences sectors drove the largest deals. Government, legal, insurance, creative, energy and media industrial accounted for less than 10% of major deal activity, with creative and media contributing relatively less compared to 2016.

Slowly rising vacancy rates, particularly in the nation's CBDs, will become a key theme over the next few years. We expect 2018 to be the peak of the development cycle for the office sector, with just over 68 msf set to deliver. Although that level will fall off as construction and labor costs rise, new supply will be increasingly driven by secondary markets, with an additional 97.9 msf delivering by 2020. Preleasing activity remains healthy if not robust in many new developments; so most of the risk for the office sector however will be concentrated in backfilling commodity Class A and Class B space that are undifferentiated and do not offer distinct propositions. Going forward, in general, look for markets with little new space under construction to outperform those with a lot. Suburban submarkets offering a range of amenities as well as public transit are well positioned to capture demand.

Rent growth will start to come under pressure over the forecast horizon. Asking rent growth peaked in 2016 at 5.3% and are now on a decelerating path in most markets. Concession packages are already becoming more aggressive in certain markets such as Manhattan and Washington, DC, and are expected to rise in other delivery-heavy markets. Rents will also be under pressure as more lower priced Class B space comes to the market. Both of these features will contribute to the deceleration of growth in asking rents. However, rent is still expected to grow at a moderate pace as demand for newly constructed or refurbished space, which offers modern amenities and layouts, remain strong.



Source: U.S. Bureau of Labor Statistics, Cushman & Wakefield Research

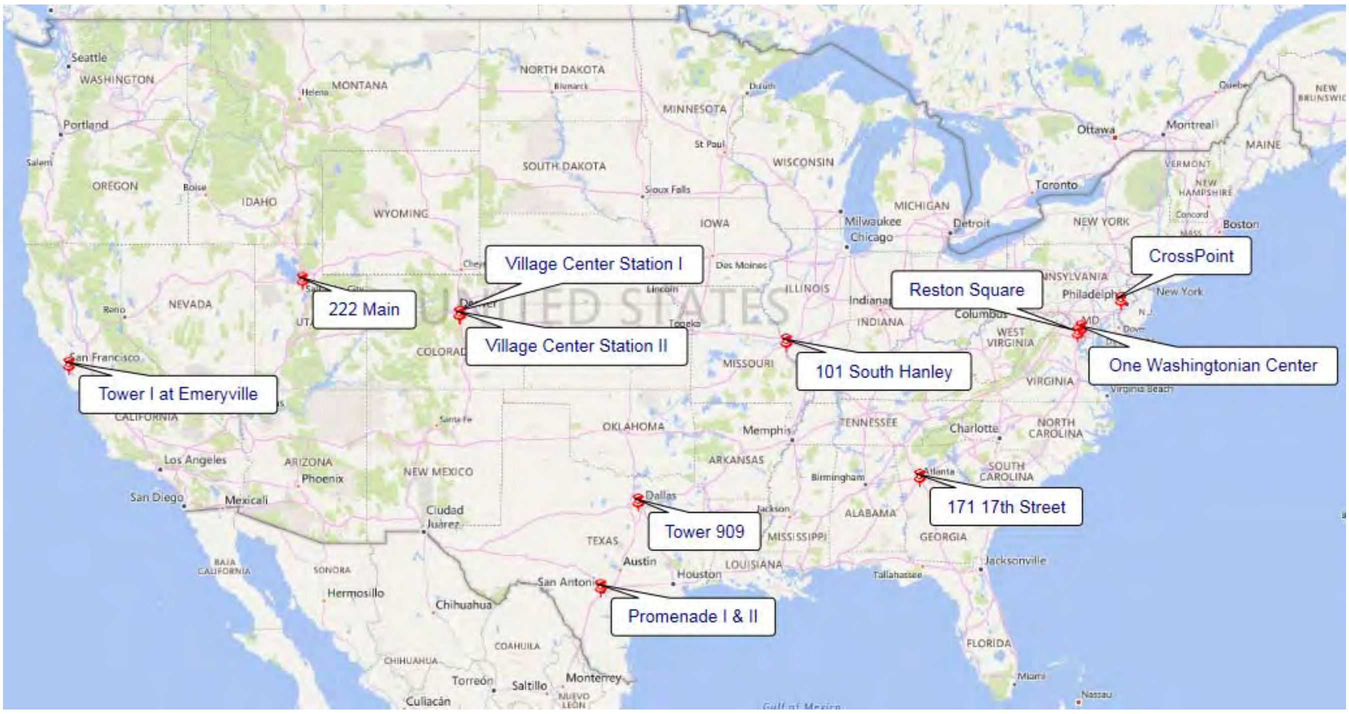
In summary, the continued availability of capital will support the continued expansion of the US real estate market and the US economy, further reaffirming the, in aggregate positive outlook for the national office market.

Ultimately, the supply and demand dynamics of each particular market play a significant role in determining the prospects of the market. Certain primary markets, such as those covered by this Portfolio, for instance, are in the “Landlord Favorable” part of the US office market cycle, where there is positive rent growth supporting the attractive locations and positioning of the Portfolio.

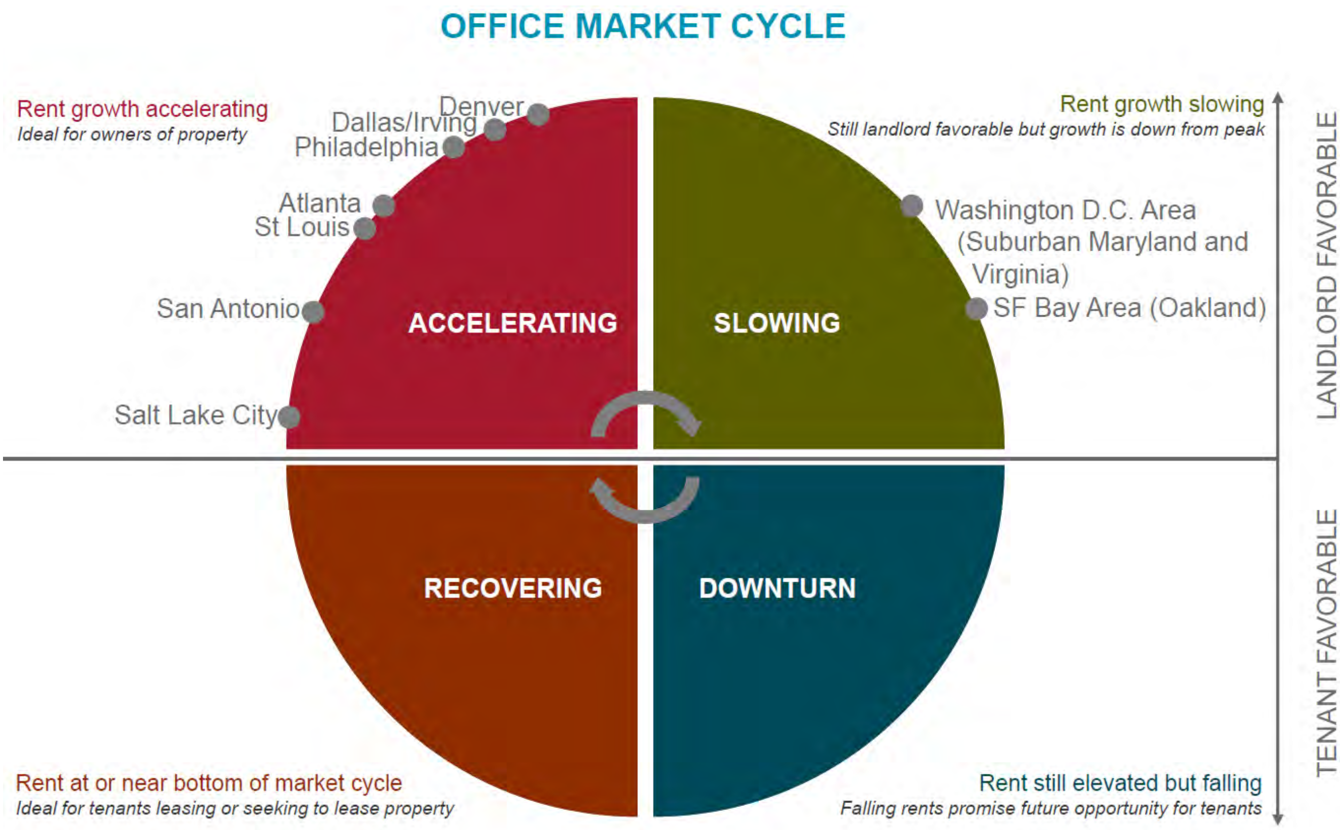
The Portfolio

This Report relates primarily to the properties and markets identified in the following map and table (the Portfolio).

Ref.	Property	Investment Class	City	State	Primary Market	Submarket
1	Tower I at Emeryville	A	Emeryville	California	San Francisco Bay Area (Oakland)	Oakland (North Alameda)
2	222 Main	A	Salt Lake City	Utah	Salt Lake City	CBD
3	Village Center Station I	A	Greenwood Village	Colorado	Denver	Southeast Suburban
4	Village Center Station II	A	Greenwood Village	Colorado	Denver	Southeast Suburban
5	101 South Hanley	A	St Louis	Missouri	St. Louis	Clayton
6	Tower 909	A	Irving	Texas	Dallas	Las Colinas
7	Promenade I & II	A	San Antonio	Texas	San Antonio	West
8	CrossPoint	A	Wayne	Pennsylvania	Philadelphia	King of Prussia
9	One Washingtonian Center	A	Gaithersburg	Maryland	Washington D.C Area (Suburban Maryland)	Suburban Maryland (Gaithersburg)
10	Reston Square	A	Reston	Virginia	Washington D.C Area (Suburban Virginia)	Suburban Virginia (Reston)
11	171 17th Street	A	Atlanta	Georgia	Atlanta	Midtown/Pershing/ Brookwood



The following chart depicts the relative position of each of the primary markets in the office market cycle. As shown, seven of the markets are in an accelerating trend, with two more (Washington DC and San Francisco Bay Area (Oakland)) considered to be in landlord favorable, but slowing growth trend. None are in a downward nor recovering mode. It is noted that there are highly attractive submarkets in the context of the potential "slowing" area of the following chart



Source: Cushman & Wakefield Research and Cushman & Wakefield Western, Inc.

The portfolio includes a mix of Class A, CBD, urban and suburban office buildings. They are generally in relatively strong markets, well located and well positioned. Trends for these office markets are summarized below.

San Francisco Bay Area (Oakland, California)

The portfolio includes one property from the San Francisco Bay Area in the Oakland metropolitan area.

Ref.	Property	Investment Class	City	State	Primary Market	Submarket
1	Tower I at Emeryville	A	Emeryville	California	San Francisco Bay Area (Oakland)	Oakland (North Alameda)

Tower I Emeryville consists of a 12-story multi-tenant office building that contains 222,207 square feet of rentable area situated on a 201,613 square foot site. The improvements were completed in 1972, renovated in 2012 and additional improvements made to restrooms and corridors in 2015-2018 and are in good condition. The property is currently 81.1 percent occupied by 16 tenants at an average contract rent of $40.50 per square foot. The building is served by a short shuttle ride the MacArthur BART station, the light rail system that runs throughout the Bay Area.

To meet the needs of today's tenants and remain a top building in the sub-market, ownership has made the following improvements over the last few years to the three-building project.

1. New state of the art private tenant lounge (Includes a manned concierge desk)
2. Two new conference centers onsite (7 meeting rooms, including 2 that can handle over 40 people)
3. New property management offices
4. Onsite cafe
5. Many the multi-tenant floors have been upgraded including new elevator lobbies, hallways and restrooms.
6. Multiple suites have been built out in an open office, creative feel
7. Elevator modifications/upgrades currently underway

Salt Lake City, Utah

Ref.	Property	Investment Class	City	State	Primary Market	Submarket
2	222 Main	A	Salt Lake City	Utah	Salt Lake City	CBD

222 Main is located at 222 South Main Street, Salt Lake City, Salt Lake County, UT. The subject consists of a 21-story multi-tenant office building that contains 426,657 square feet of rentable area situated on a 1.63-acre, or 71,003 square foot, site. The improvements were completed in 2009 and are in excellent condition. The property is currently 97.2 percent occupied by 16 tenants at an average contract rent of $36.15 per square foot. The largest tenants at the subject is Goldman Sachs (177,206 square feet), Holland & Hart (89,960 square feet) and Perfectly Posh (43,835 square feet). The Goldman Sachs lease expires in May 2025, Holland & Hart expires in December 2027 and Perfectly Posh expires in April 2023. The property is served by a light rail stop in-front of the building.

As part of a building restoration, ownership has recently completed a major lobby renovation and new build-out of all the office space and common areas on floors 1 – 5.

Denver, Colorado

Ref.	Property	Investment Class	City	State	Primary Market	Submarket
3	Village Center Station	A	Greenwood Village	Colorado	Denver	Southeast Suburban
4	Village Center Station II	A	Greenwood Village	Colorado	Denver	Southeast Suburban

Village Center Station I is located at 6380 South Fiddlers' Green Circle, Greenwood Village, Arapahoe County, Colorado. The property is situated in the Southeast Suburban submarket of the metropolitan Denver office market.

The subject is an attractive 9-story, Class A, multi-tenanted office building with attached parking that contains a total of 234,915 square feet of rentable area situated on a total of 141,075 square feet of land area. The improvements were completed in 2009 and are in good condition. It features attractive concrete panels, composite veneer, and glass curtain wall construction and numerous amenities including ground floor retail. The subject is part of the Village Center Station campus, which is a developing three building campus with several major tenants. The property is served by a light rail stop adjacent to the building.

The subject property is currently some 96.8 percent occupied, with a combination of office and ground floor retail tenants. Some of the major tenants include Charter Communications, Cricket Communications, Regis University, Holland & Hart, LLP, and CB&I Federal Services. It appears that the subject's occupancy and potential turnover risk is lower than that of other office properties in the competitive market.

To meet the needs for collaborative work environments, private meeting spaces for both large and small groups were added by ownership in early 2018

Village Center Station II is located at 6360 South Fiddlers' Green Circle, Greenwood Village, Arapahoe County, Colorado. The subject is an attractive 12-story, Class A, single-tenanted office building with attached parking that contains a total of 325,576 square feet of rentable area situated on a total of 225,628 square feet of land area. The improvements are in the process of being completed and will be an excellent condition at that time. It features attractive concrete panels, composite veneer, and glass curtain wall construction and numerous amenities catering to a single-tenant. The subject is part of the Village Center Station campus, which is being developed as a three building campus with several major tenants. The property is served by a light rail stop.

Charter Communications Holding Company, LLC occupies the entire subject property under the terms of a ten-year triple net lease agreement which expires in May 2028. They also have either three-5 year options to renew or two-6 year options to renew.

To meet the needs for collaborative work environments, private meeting spaces for both large and small groups were added by ownership in early 2018

St. Louis, Missouri

Ref.	Property	Investment Class	City	State	Primary Market	Submarket
5	101 South Hanley	A	St Louis	Missouri	St. Louis	Clayton

101 South Hanley consists of a 19-story multi-tenant office building that contains 360,505 square feet of rentable area situated on a 75,794 square foot site. The improvements were completed in 1986 and are in good condition. The property is currently 99.8 percent occupied by 36 tenants at an average contract rent of $25.72 per square foot. The property is served by a light rail stop within a short walk.

Since ownership of the project, KBS has invested in major upgrades and capital improvements repositioning the building to one of the best amenitized in the market. Nearly $6,200,000 have been invested in new amenities, cosmetic upgrades and building system modernization. Common area upgrades and amenities include: new building lobby, a tenant lounge, conference center, fitness center, new corridors and restrooms all totaling over $2.5M. Building system upgrades and modernization include: elevator modernization, HVAC controls upgrade, fire panel upgrade and among others all totaling $3.6M.

The subject is situated within the premier employment center of the region. The outlook for the foreseeable future is considered good when compared to the region as a whole, with residential and office projects proposed for the Clayton Central Business District where the subject is located. Based on the available information and our observation regarding neighborhood trends, we anticipate continued demand for real estate in the Clayton business district in the coming years.

Irving, Texas

Ref.	Property	Investment Class	City	State	Primary Market	Submarket
6	Tower 909	A	Irving	Texas	Dallas	Las Colinas

Tower 909 is located at 909 Lake Carolyn Pkwy, Irving, Dallas County, TX. The subject is a 19-story, Class A, multi-tenant office building that contains 374,251 square feet of rentable area situated on a 154,403 square foot site. The improvements were completed in 1988 and are in good condition. Parking is provided via an on-site garage. The property is currently 90.9 percent occupied by 69 tenants at an average contract rent of $25.77 per square foot. Major tenants include Medallion (5.7 percent of NLA), Matheson Tri Gas (17 percent of NLA), and Fleur De Lis Energy (8.1 percent of NLA). The property is served by a light rail stop.

To meet the needs of today's tenants and remain a top building in the sub-market, ownership has made the following building improvements over the last few years.

1. Lobby renovations including new ceilings, lighting, and seating areas
2. Renovated and expanded Amenity Row, including a new tenant lounge, onsite management office, conference center, fitness center with fitness on demand, showers and lockers, and a deli
3. New massage room
4. New elevator cabs, both modernization and cosmetic
5. New entrance from the garage to the building, including new paint, lighting, and signage, and renovations to the parking garage elevator lobbies
6. New building lobby restrooms
7. New exterior landscaping, as well as new exterior signage for the retail space
8. New landing area for the Dallas Area Rapid Transit
9. Vacant space conditioning and spec suites, as well as new corridors and restrooms on the multi-tenant floors throughout the building.
10. Cooling tower replacement (2018)
11. Energy management system retrofit with direct digital controls (2015)
12. Domestic water pump (2016)
13. Air handling unit refurbishment (2016)

San Antonio, Texas

Ref.	Property	Investment Class	City	State	Primary Market	Submarket
7	Promenade I & II	A	San Antonio	Texas	San Antonio	West

Promenade I & II is located at 17802 & 17806 IH-10 W, San Antonio, Bexar County, TX. The subject is a 4-story, Class A, multi-tenant office building that contains 205,773 square feet of rentable area situated on a 272,766 square foot site. The improvements were completed in 2011 and are in good condition. The subject is considered to be arguably the highest quality office building constructed in San Antonio in the last 20 years. The high-end finishes, coupled with the proximity to retail, restaurant and hotel services in Eilan provide the subject with a competitive advantage over other Class A office buildings in the market area. The subject's strong rental rates and high occupancy level are evidence of the subject's strong position within the competitive set.

The property is currently 99.8 percent occupied by 13 different tenants at an average contract rent of $24.87 per square foot, NNN. Notable tenants at the property include Apache (approximately 33 percent of the space), KPMG and Merrill Lynch.

In order to meet the needs of today's tenants and remain a top building in the sub-market, ownership has made the following building improvements over the last few years.

1. Added onsite management office in Prom 1 to serve both buildings.
2. Parking access – Added reader/gates to entrance/exit @ covered parking – Prom 2
3. Cell phone reception booster added
4. Added unmanned / automated café and sundry shop in Prom 1 to serve both buildings Cooling units added to elevator rooms to reduce overall building utility consumption – Prom 1 - $7,388.16; Prom 2 - $7,388.16

5. Replaced the flooring on the ground level (lower level) at Prom 1

Wayne, Pennsylvania

Ref.	Property	Investment Class	City	State	Primary Market	Submarket
8	CrossPoint	A	Wayne	Pennsylvania	Philadelphia	King of Prussia

CrossPoint is located at 550 E. Swedesford Road in Wayne, PA. The subject is a 3-story, Class A, multi-tenant office building that contains 272,360 square feet of rentable area situated on a 24+/- acre site. It comprises two, three-story buildings that were connected with an atrium lobby when the property underwent a complete renovation in 2014. This renovation essentially made the subject the newest building in the market, and it has been able to achieve top-of-the-market rents since then. There is also covered parking for 45 cars, in addition to adequate surface parking. The property includes a full-service cafeteria, conference room, and fitness center. The property is served by a shuttle service to a nearby light rail stop.

As of the date of value, the subject was fully occupied. Major tenants include Teleflex (31% of NLA), Tivo (24%), and Medecision (9%). Rents generally range between \$30.50 and \$36.50 per square foot, on a full-service plus electric basis, and are among the highest rents in the submarket. Lease rollover exposure is considered moderate, with about 33 percent rollover over the next five years.

Gaithersburg, Maryland

Ref.	Property	Investment Class	City	State	Primary Market	Submarket
9	One Washingtonian Center	A	Gaithersburg	Maryland	Washington D.C. Area (Suburban Maryland)	Suburban Maryland

One Washingtonian Center is located at 9801 Washingtonian Boulevard, Gaithersburg, Montgomery County, MD. The subject is a 13-story, Class A, multi-tenant office building that contains 314,175 square feet of rentable area situated on a 222,156 square foot site. The improvements were completed in 1989 and are in good condition. The building is the tallest in the immediate area and has good visibility from I-270. In addition, there are retail and fitness center amenities located proximate to the subject and numerous restaurants.

The primary tenant is Sodexo. It occupies approximately 61 percent of the leasable area and it lease does not expire until 2023. The other major tenant is Covance, which will occupy 15 percent of the leaseable area until 2026.

To meet the needs of today's tenants and remain a top building in the sub-market, ownership has made the following building improvements over the last few years.

1. The interior finishes of the elevators were upgraded in 2013.
2. In 2014, the wood paneling in the lobby was replaced, a new interactive touch screen directory was installed and the window exteriors on all four sides of the buildings were re-caulked and sealed.
3. In 2015, the asphalt in the front entrance circle of the building was replaced with cobblestones and the lobby furniture was upgraded.
4. In 2017, ownership commenced upgrading the original elevator equipment to new gearless hoist machines. This work will be complete in early 2019.
5. In 2018, we have renovated the rear patio and front entrance pavers and replaced the handrails in the rear patio. Picnic tables for the rear patio will be installed next month.

Reston, Virginia

Ref.	Property	Investment Class	City	State	Primary Market	Submarket
10	Reston Square	A	Reston	Virginia	Washington DC (Suburban Virginia)	Suburban Virginia (Reston)

Reston Square is located along the northern side of Sunrise Valley Drive in the Reston area of Fairfax County, Virginia. Situated on a 1.95-acre site, the improvements include a six-story, 138,995 square foot, Class A office building and a 456-space structured parking deck constructed by the JBG Companies in 2007. The subject is certified LEED Silver and has a wide range of amenities that have kept the average vacancy rate below 10.0 percent. The subject is fully occupied and leased to a variety of tenants, including Whitney, Bradley & Brown (73,511 square feet), SES Government Solutions (22,625 square feet), and The Washington Group (8,835 square feet). The property is located within ½ mile of a light rail stop.

In order to meet the needs of today's tenants and remain a top building in the sub-market, ownership has made the following building improvements over the last few years:

1. Major repairs to all the parking garage concrete was completed in 2014.
2. In 2015, a coffee bar was installed in the lobby as an amenity for the tenants, the lobby furniture was upgraded, and artwork was installed.
3. A new interactive touch screen directory was installed in the lobby.
4. In 2016, the equipment in the fitness center was upgraded.
5. In 2017, all elevator cab floors were replaced, garage directional painting was completed.
6. Additional fitness equipment upgrades will be completed in late 2018.

Atlanta, Georgia

Ref.	Property	Investment Class	City	State	Primary Market	Submarket
11	171 17th Street	A	Atlanta	Georgia	Atlanta	Midtown/Pershing/Brookwood

171 17th Street is located at 171 17th Street NW, Atlanta, Fulton County, GA. The subject is located within the master planned mixed use development of Atlantic Station. The subject is a 22-story, Class A, multi-tenant office building that contains 510,268 square feet of rentable area situated on a 29,621 square foot site. The improvements were completed in 2003 and are in excellent condition. The property is currently 99.66 percent occupied by 18 tenants at an average contract rent of $20.86 per square foot, NNN. Wells Fargo is the primary credit tenant in the building and occupies approximately 30 percent of the space. The highest year of turnover occurs in year two with approximately 30 percent; however, the remaining scheduled turnover during the holding period is relatively stable. The property is served by a light rail stop.

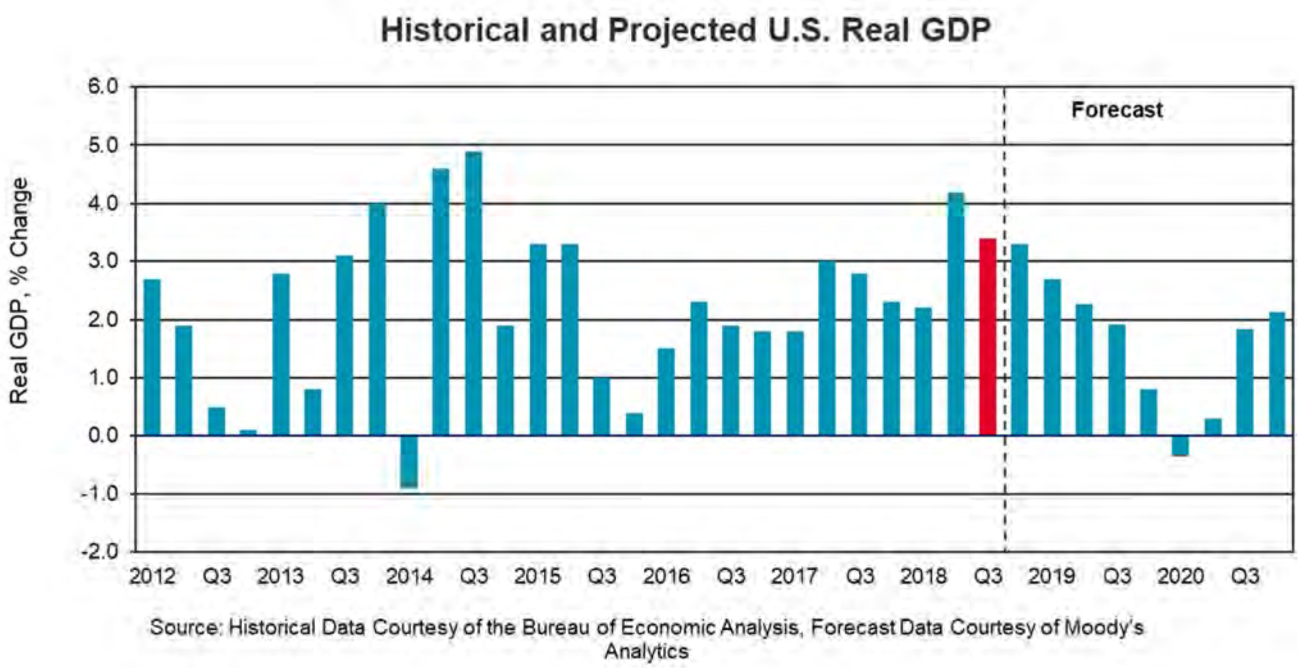
National Overview – United States of America

Overview

The U.S. economy continued to demonstrate strength in the third quarter of 2018. Coming off of a strong second quarter—when real GDP expanded at a 4.2% annualized rate—the economy grew at a 3.5% annualized rate. These are the two strongest quarters of growth since mid-2014. Underlying this widespread strength is an economy that is firing on all cylinders—from robust consumer activity to increased private investment to fiscal stimulus and even a moderate expansion in trade activity.

On a year-over-year basis, consumer activity increased at its highest rate in over three years—growing by 3% since the third quarter of 2017. Reaping the benefits of tight labor market conditions and its effect on wages, consumer spending continues to improve. Gains in nonfarm payrolls in the third quarter exceeded those of 2017, with 569,000 new jobs added. And despite Hurricane Michael having an impact on September's employment figures, the unemployment rate continued its descent. The unemployment rate ended September at 3.7%, down 50 basis points (bps) from a year ago to reach its lowest point of the cycle. For the third consecutive quarter, job openings in the labor market exceeded the number of unemployed persons; in September, the gap between job openings and the people available to fill them widened to over one million people. Almost 40% of small businesses are having trouble filling open positions. This dearth of available workers continues to manifest in labor shortages across markets and across sectors, ultimately pressuring firms to increase wages. The Employment Cost Index for private sector wages and salaries—the most reputable source for wage data—rose 3% year-over-year in the third quarter of 2018. This is the fastest rate of wage growth observed since the second quarter of 2008. And consumers are feeling good, reflected in the highest readings of consumer confidence this cycle.

The following graph displays historical and projected U.S. real GDP percent change (annualized on a quarterly basis) from first quarter 2012 through fourth quarter 2020 (red bar highlights the most recent quarter-18Q3):



Other indicators of economic performance and sentiment remain strong. Both consumers and businesses remain very optimistic about the economy. Through mid-year 2018 consumer confidence as measured by the Conference Board reached its highest level since the dot com boom in 2000. Consumers believe the economy is strong and jobs are plentiful. Businesses are also optimistic as the full impact of the tax law changes could be seen in strong profit growth.

While still positive, absorption levels trended lower in Q3 2018 compared to a year-ago. Retail and office markets have seen the slowed, off some 30-40%, while industrial and multifamily markets are holding up better but still slowing. This most likely reflects the lagged relationship between commercial real estate (CRE) and the economy. With such a tight labor market, many expect job growth to decelerate, but so far in 2018, most industries are seeing employment gains that exceed those of 2017. Among office-using industries, during the first nine months of the year, 512,000 jobs have been created. That is nearly 17% more than last year's 439,000 that had been added over the same timeframe. There have been notable pick-ups in both real estate/leasing employment and professional and technical services employment. For industrial sectors, the acceleration in the job growth rate has been more pronounced with year-to-date job gains totaling 399,000, or 54% more than last year's 260,000. Retail employment has risen as well by 32,000 jobs in the first nine months of 2018, a marked reversal from the 37,000 jobs shed in the first nine months of 2017.

Business Trends

In addition to the red-hot consumer and labor markets, the production side of the economy also fared well in the third quarter, supporting the reacceleration in hiring. Industrial production increased at its fastest year-over-year pace since the recovery began; the 5.1% year-over-year growth rate in September 2018 had not been seen since the recovery began in 2010. Stronger global economic activity and firming commodity prices in 2017 and 2018 have contributed to healthier conditions. Although reduced investment detracted from annualized GDP growth in the third quarter for the first time in three and a half years, private inventories expanded at a solid clip, contributing 2.1% to overall GDP growth for the quarter. Private investment still grew by 5.3% between third quarter 2017 and third quarter 2018, though, with only residential investment emerging as a significant weakness.

This optimism is most evident in the measures of confidence. Both consumers and businesses are feeling as positive about the economy as they have in nearly 20 years. The Conference Board's Consumer Confidence Index has been hovering in the 120 range since last summer. The National Federation of Independent Business's ("NFIB") Optimism Index confirms similar upbeat sentiment.

Confidence is a critically important economic indicator for the commercial real estate industry. When consumers are confident, they spend more. That, in turn, boosts business profits, which creates jobs, ultimately translating into demand for commercial real estate space. Although consumer spending has been reasonably healthy throughout this expansion, it has not been overly robust. Personal consumption expenditures are growing at a rate of 2.5% annually—a healthy pace. But current confidence indicators, along with the wealth effect from higher home and equity values, suggest that consumer spending could be higher. Greater consumer spending could, given the above factors, result in an upside scenario of a 4% real GDP growth number. In general, when GDP is strengthening, so too are property markets.

All signs in the economy point to continued growth over the near-term. And with inflation firming, all signs point to rising interest rates. Inflation as measured by the CPI has grown at a year-over-year rate exceeding 2% each month in 2018 through September. The Federal Open Market Committee's preferred metric—the core PCE (personal consumption expenditures) index—grew 2% from third quarter 2017 through third quarter 2018. Our expectation is for the FOMC to vote to raise the federal funds rate by 25 bps in December this year, and at least three times in 2019.

As the end of 2018 nears, and a new policy-making environment descends upon Washington, there is some uncertainty about what specific legislative priorities will prevail over the coming years. However, tailwinds from fiscal stimulus—both tax cuts and certain tax changes, as well as increased federal spending—will continue to buttress GDP growth. Growth will be tempered by slowing global growth, and possibly by growing trade tensions. As of this writing, trade volumes have continued to rise, but they bear close watching. Economic, job and wage growth are likely to remain firm for the remainder of the year and into 2019.

Labor Markets

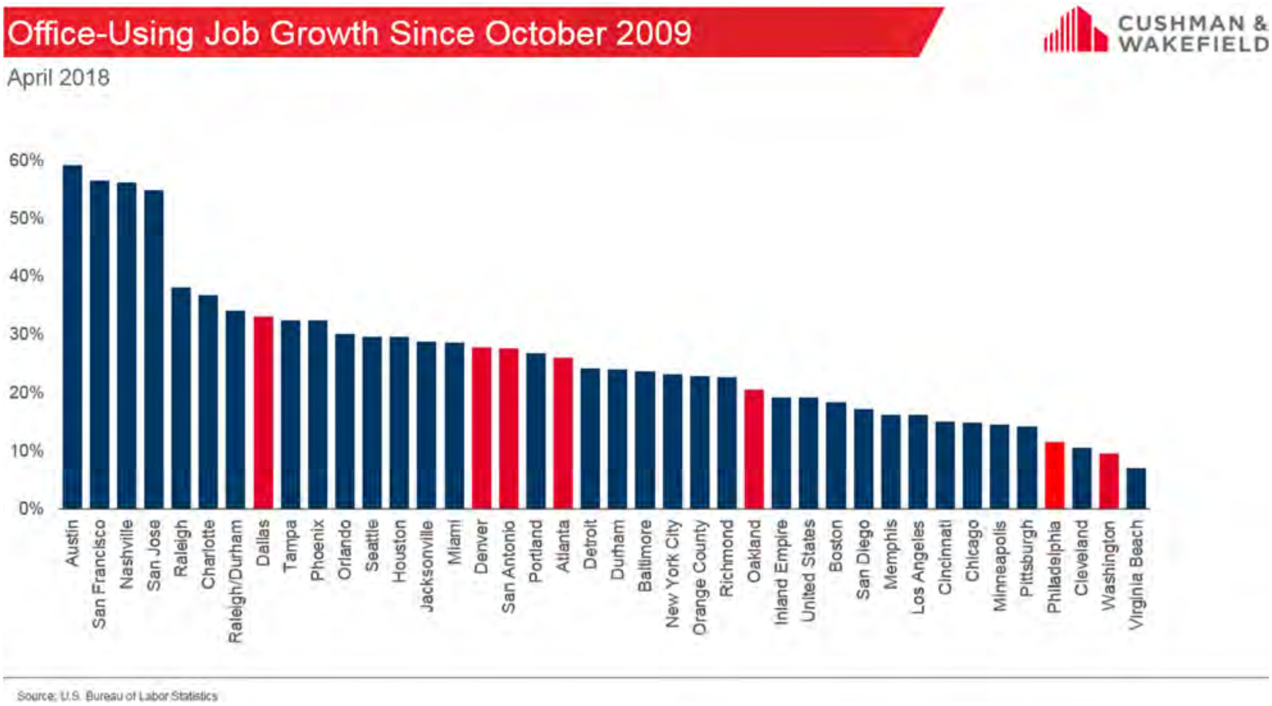
Total Employment

Employment in the U.S. grew more in 2017 and 2018 than initially thought. The U.S. economy added 85,000 more nonfarm payroll jobs than earlier estimates indicated. In terms of income alone, an additional 85,000 jobs averaging an annual income of $50,000 would add approximately $4.0 billion in aggregate personal income.

That's a relatively modest upward revision, but it may indicate that the U.S. economy also grew a bit faster in 2016 than initially thought. The employment revisions will feed into revisions in real gross domestic product (GDP) this summer, and could mean that GDP growth was a little stronger than originally estimated.

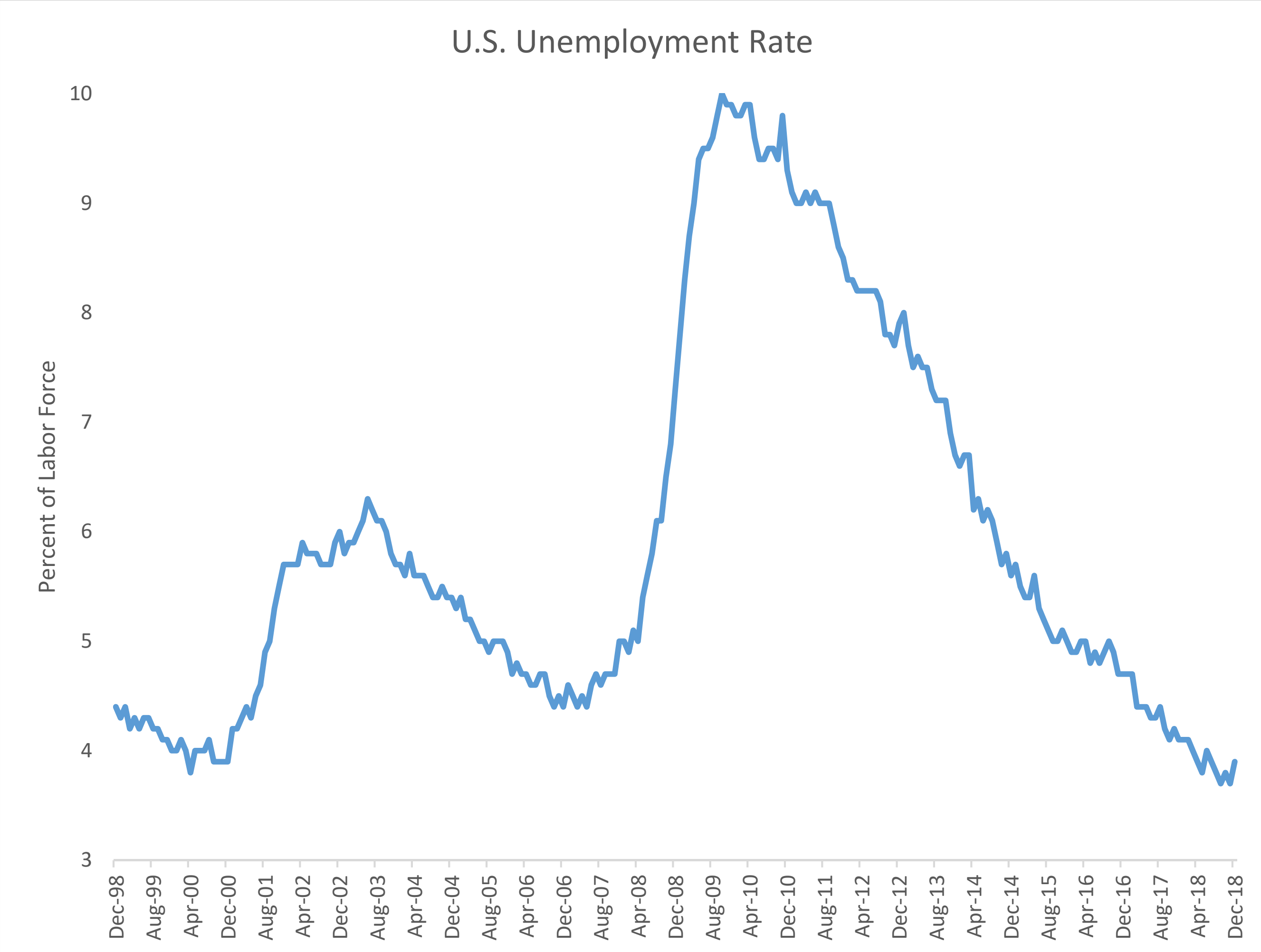
But it is at the regional level that the shifts are more pronounced. Of the top 42 U.S. core-based statistical areas (CBSA s) tracked, several experienced greater employment growth than earlier estimated, including San Francisco (+27,200 jobs), Phoenix (+24,700) Atlanta (+19,500) and Charlotte (+16,200). At the other end of the spectrum, there were cities that did not experience as much employment growth as first reported. Please note, employment in these cities did not decline; it just didn't grow as much as earlier estimated. Among the cities where employment growth was revised downward were Denver (-20,400), Chicago (-22,500), DC Metro (-27,700) and St. Louis (-27,900).

Throughout the current economic expansion, technology-driven local economies have performed well. There did appear to be a slowing recently, but in light of the new benchmark revisions, job growth in such bellwether metros as San Francisco and Austin remained healthy. In addition, employment in several demographically driven metro areas like Phoenix and Atlanta also appears to have picked up. Meanwhile, some Northern cities like Boston, Chicago and New York did not add jobs quite as rapidly as first estimated. As shown in the following chart, many of the subject markets experienced upward movement in office-using job growth for 2016.



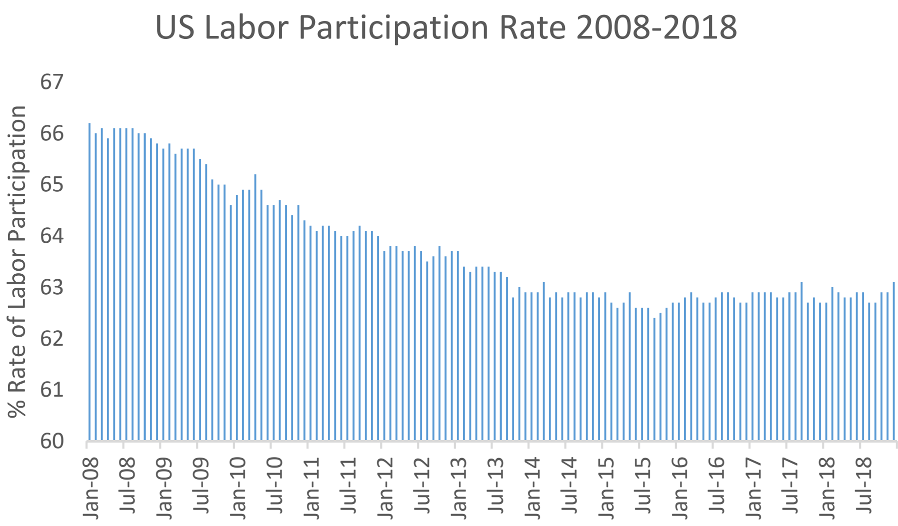
Unemployment

The unemployment rate decreased from 4.7% in December 2017 to 3.9% in December 2018. Unemployment remains at the lowest level since the early 2000s, and this labor market tightness is boosting wages, but slowly. As of March, average hourly earnings had increased 2.6% from a year ago, roughly in line with its pace a year ago. These trends are clearly depicted in the following graphic.



Job Creation

Job growth, a key metric for the commercial real estate sector remains strong. In the first quarter, the U.S. economy added an average of 212,000 jobs per month, on a par with the 221,000 jobs added in the fourth quarter, and strong, by any historical measure. Employment in the key office-using sectors (financial, professional and business services and information) averaged 54,000 per month, up from 42,000 per month in the preceding quarter. One highlight of Q1 labor markets was the increase in employment in the retail sector. A year ago retail employment was in free fall, dropping 31,000 jobs in the first quarter of 2017. This year the economy added 64,000 retail jobs in Q1. Part of this increase may be due to seasonal adjustment as retail employment did not increase as much in Q4 2017 as in previous years, so there were fewer job reductions in Q1 2018. Nevertheless, employment wise, the retail sector appeared in better shape in the first quarter. Buoyed by strong growth in manufacturing, total employment in industrial related sectors (warehouse, transportation and manufacturing) increased by 113,000 in Q1, with manufacturing accounting for the bulk of this growth (+73,000). E-commerce-related distribution employment also grew strongly.



Source: US Bureau of Labor Statistics

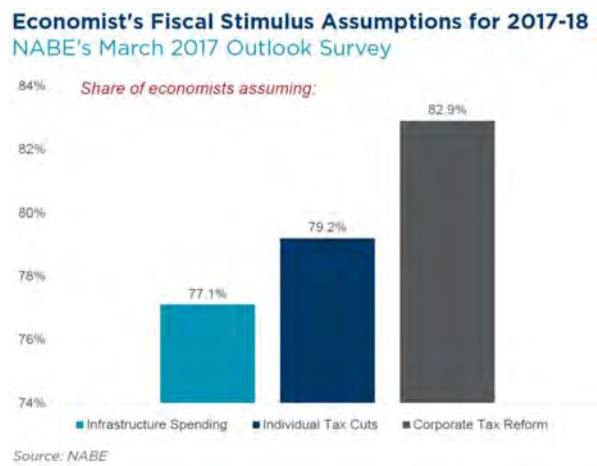
Political Climate

The Trump administration has spotlighted several priorities that affect economic/ commercial real estate forecasts directly: tax reform and/or tax cuts (for both corporations and individuals), a repeal or replacement of the Affordable Care Act (ACA), renegotiation of major trade agreements, increases in specific discretionary spending categories (defense and infrastructure) and the unwinding of or revisions to certain regulations (i.e. Dodd-Frank).

Given the current political environment, any change in policy is far from certain. Still, over 80% of economists surveyed by the National Association of Business Economics believe that some policy changes will be enacted, although likely watered-down to gain bipartisan support (particularly in the Senate). In addition, the results of any policy changes will need to maintain or come close to deficit neutrality—a requirement for most legislation if it is expected to become permanent. In the baseline scenario, we assume government spending and investment—actual outlays— will increase by an additional $70 billion over the next two years, with nearly 40% of that increase going to defense. The fastest growth was expected to occur in 2018 when overall government spending will grow at a 2.5% annual rate.

The likelihood of any changes being made to tax rates or tax policy is even less certain. Our forecast anticipates the effective corporate tax rate—that is, the tax rate actually experienced by firms—to decline from 20.2% in 2016 to 16.9% over the 10 years. That is the equivalent of about a $500 billion tax cut. It also assumes that personal income tax reform will not occur until 2019.

One potential dark cloud over this generally rosy economic outlook was the Trump Administration's push to raise tariffs on foreign produced steel and aluminum and potentially many other products. Although most of the tariff increases may not be implemented, the anti-free-trade rhetoric of the Trump administration has dampened enthusiasm, particularly in financial markets, where the rise in equity markets has stalled out. While we remain optimistic on the U.S. economic outlook, there potentially negative developments need to be monitored closely.



Implications for Commercial Real Estate

Office

The commercial real estate market's sales volume picked up in 2011, a trend that continued through 2015. According to Real Capital Analytics, roughly 34,000 commercial properties traded for a total of $521.9 billion in 2015. This level marks the second-highest investment volume behind the $538.6 billion in activity seen in 2007. In 2016, sales volume could not match the previous year's performance, declining in three of the four quarters over 2015. The drop can be in part explained by the unusual activity exhibited early in 2015, where falling cap rates and ease of finance from the CMBS market helped drive sales activity. In 2017, U.S. commercial property sales reached $453.4 billion, 5.0 percent below sales volume in 2016. Deal volume is up so far in 2018, even above the levels through the same period in 2015.

According to PricewaterhouseCoopers (PwC) Real Estate Investor Survey, most investors are satisfied with how their properties are performing and hold a positive outlook for the remainder of 2018. In addition, average cap rates for all property types decreased in 20 survey markets, held steady in six and increased in eight over second quarter 2018, according to the PwC Real Estate Investor Survey for third quarter 2018. Although quarterly shifts are diverse, surveyed investors expect overall cap rates to hold steady over the next six months.

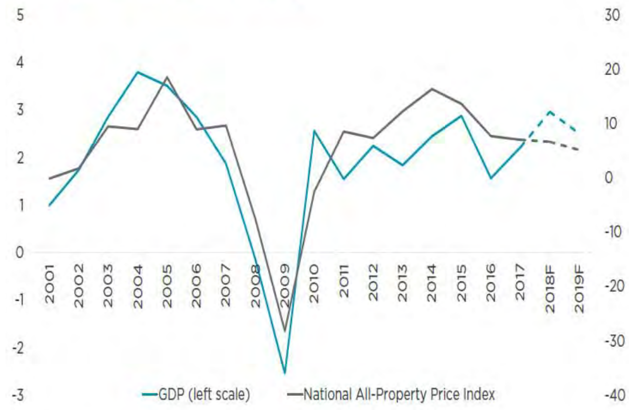
Notable points for the U.S. real estate market include:

- Sales volume in the first nine months of 2018, at $368.1 billion, was 12.0 percent ahead of the volume set during the same period in 2017. Strong market confidence and the availability of capital has led to improved sales activity.
- Large portfolio and entity-level transactions have boosted deal volume so far in 2018, and in some cases, clouded underlying trends in the market. Entity-level deals in the third quarter, at $29.8 billion, is by far the largest amount ever recorded in a single quarter. Furthermore, deal volume in the six largest metros grew 5.0 percent on a year-over-year basis while deal volume in secondary and territory markets increased more than 20.0 percent over the same period. The strongest numbers for the quarter came from the retail sector, where volume was up 90.0 percent on a year-over-year basis. In addition, the office and apartment markets each posted double digit annual growth in deal volume for the quarter.
- Cross-border transaction activity grew slightly on an annual basis as investor sentiment remains strong for U.S. assets. Politics and regulations are issues for many Chinese investors outside of certain asset classes, and hedging costs are becoming problematic for German, South Korean and Japanese investors. Higher oil prices should support more cross-border activity from the Gulf region, and tariff impacts on the U.S./Chinese relationship could encourage more Chinese capital flowing into the EU.
- Increasingly higher interest rates will create a mix of headwinds and tailwinds for commercial real estate as rising capital costs can be offset by stronger net operating income (NOI) growth. Be that as it may, Real Capital Analytics are reporting that despite interest rates increases, there are no signs yet of escalating cap rates.
- The majority of participants in the PwC Real Estate Investor Survey believe that current market conditions are neutral in the national net lease market – while 33.0 percent said market conditions favor sellers and 17.0 percent answered conditions favor buyers. This sentiment has shifted from three years ago when investors unanimously viewed this market as favoring sellers. This shift is down to the uncertainty surrounding interest rates and the potential rise of debt pricing and cap rates in the future.

Capital Markets

The U.S. remains an attractive destination for many reasons even though a more mature phase of the investment cycle is underway. The U.S. has the deepest and most liquid capital markets and, due to a breadth of opportunities, attracts both capital looking for stability and capital seeking higher returns in the pockets of value that remain. The FOMC has continued to hike rates and, in the beginning of 2018, markets repriced growth and inflation expectations in the form of a rising 10-year Treasury yield. Market participants have been increasingly focused on the path of rates and the potential pressure they could place on valuations across markets.

GROWTH IN REAL GDP VS. CRE VALUES (%)



Source: Real Capital Analytics, Cushman & Wakefield Research

FORECAST SNAPSHOT

	2018	2019
Investment Sales	$502.6	$460.3
NCREIF Returns	7.2%	6.9%
All Property CPPI Price Index	6.0%	4.0%

At this time, however, the 10-year Treasury yield seems to fluctuate within a 20-bps range, 2.9%-3.1%, depending on the global news and this has reduced immediate valuation concerns. So has the fact that real GDP growth has been accelerating—momentum that is expected to sustain through 2019—which buttresses all of the factors supporting valuations. However, a number of forces are building that could upset the current equilibrium, including mounting inflationary pressure, the cessation of QE in Europe, the Fed balance sheet unwinding and increased deficit spending (Treasury supply). Our forecast calls for the 10-year yield to end the year at 3.0%, and to continue its upward march towards 3.5% between 2018 and 2020—still exceptionally low rates by any historical standard. There is still a tremendous amount of capital in the system which will keep demand for real estate assets robust. Dry powder at closed-end funds targeting North American CRE hit $186 billion in August 2018 according to Preqin. This is not only the highest amount of the cycle so far, but as a share of global fundraising, the 62% targeting North America is also the highest share since 2004.

Make no mistake though—interest rates and the cost of capital will rise, making the outlook for CRE capital markets more nuanced than at any other point in the cycle so far. The forecast for pricing, measured by the RCA All Property Price Index, is a moderate deceleration in growth over the coming years. Partially a result of the composition of properties that are actually trading, this in no way reflects a lack of investor demand. Indeed, sales volume should remain on par with 2017 levels; the expected $502.6 billion called for in 2018 is slightly higher than last year's at $490.0 billion, but is buttressed by M&A and buyout volumes that transacted in the first half of the year. From 2018 through 2020, sales activity is likely to decline from the historic highs of recent years to a more sustainable path of transaction activity.

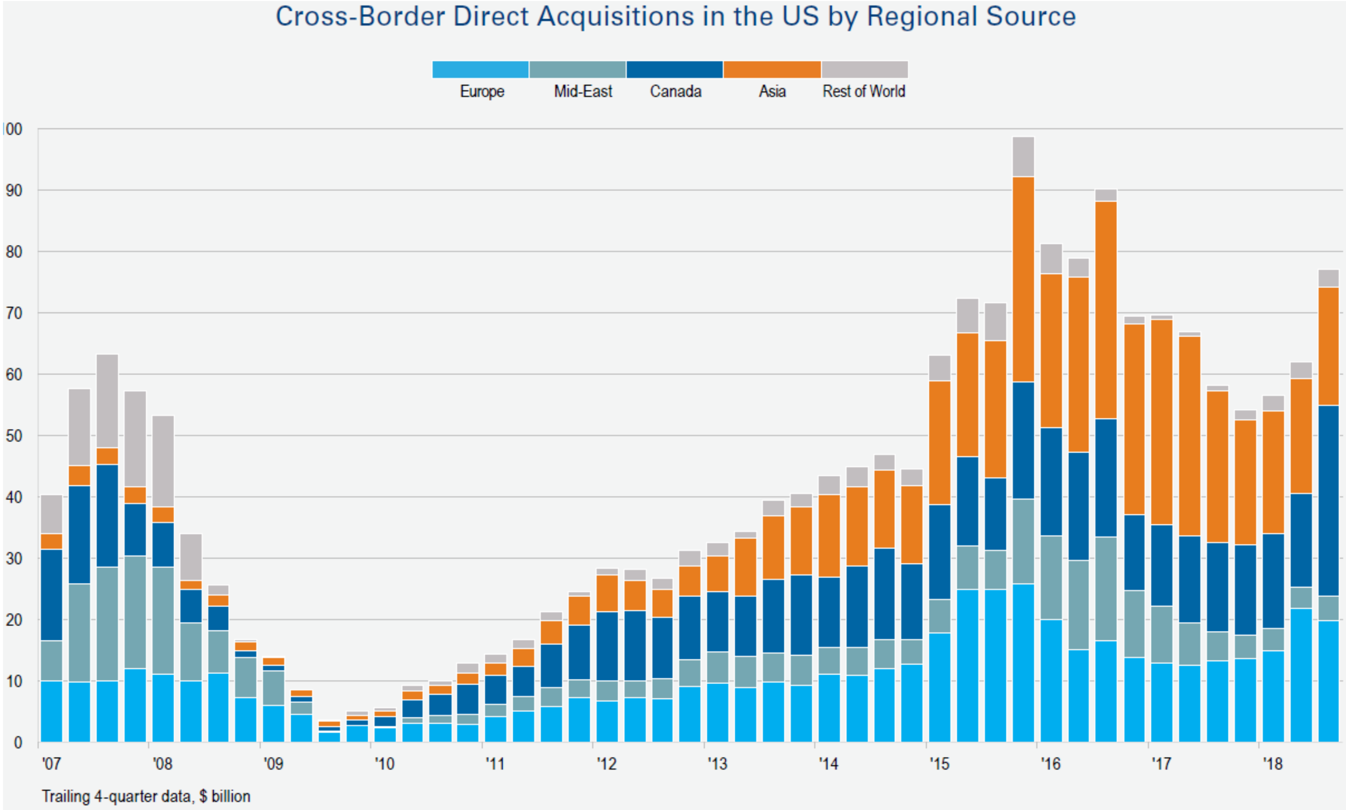
As has been the case for the last year or more, investors are increasingly expanding into secondary and tertiary markets and niche product categories. Additionally, activity in retail, suburban markets and industrial has reflected a more potent appetite from opportunistic and value-add players. However, deploying capital will remain a key challenge over coming years. Returns in the U.S. are expected to temper. The forecast for total returns across all property types is 7.2% for 2018—with the latter half of the year performing as it did in the first half. From there, returns will moderate towards the 6% mark as the end of the decade nears.

Offshore Investment

Canadian investors were the largest investor group in the 12 months through the Third quarter of 2018. These investors claimed over 41% of all cross-border acquisition volume in the U.S. Singaporean investors were the third largest group.

Manhattan was the top target of cross-border buyers in the 12 months through Q3'18, garnering more than $9.4 billion in cross-border deal volume. Los Angeles and Chicago with $5.7 and 3.9 $3 billion in sales volume, respectively.

Retail deals involving overseas buyers grew 107% year-over-year for the 12 months through Q1'18. Retail and office were the most sought after property sectors overall.



Source: RCA Analytics

Conclusion

The latest string of stock market volatility notwithstanding, economic conditions in the U.S. are among the strongest levels experienced throughout this current cycle. Given the correlation between the economy and property markets, values are expected to climb in most markets/product types as the expansion continues. The industry has been powered by strong business investment and sustained improvements in the labor markets. Monetary policy normalization is expected to unfold at a faster pace than before as economic conditions will likely warrant more rate hikes in the next 12 to 18 months following the four increases in 2018.

All in all, upside risks more than offset the downside risks to our outlook. As we assess the future trajectory of the property markets, the positives comfortably outweigh the negatives. We may be entering into the final stage of the U.S. expansion, but that doesn't mean the final stage can't go for a lot longer.

U.S. MACRO FORECAST TABLE

	2015	2016	2017	2018	2019
U.S. Economy					
Real GDP, AR%	2.9	1.5	2.3	3.0	2.5
Nonfarm Employment Change, Ths.	2,882	2,530	2,275	2,350	1,796
Office-using Employment Change, Ths.	736	624	587	589	445
Unemployment Rate, %*	5.3	4.9	4.4	3.9	3.3
CPI-U Inflation, Yr/Yr%*	0.1	1.3	2.1	2.6	2.4
Core PCE Inflation, Yr/Yr%*	1.3	1.8	1.5	1.9	2.0
ECI Total Wages & Salaries Index, Yr/Yr%*	2.2	2.3	2.5	2.8	2.9
Fed Funds Rate, % (Year-end, Q4)	0.2	0.4	1.2	2.2	3.2
10-year Treasury Rate, % (Year-end, Q4)	2.2	1.6	2.2	3.0	3.3
Retail Sales & Food Services, Yr/Yr%*	2.6	2.9	4.7	5.3	4.0
Consumer Confidence Index, 1985=100	98.0	99.8	120.5	124.2	115.4
eCommerce Sales, Yr/Yr %*	14.0	14.9	15.9	17.1	13.0
Manufacturing Industrial Production, Yr/Yr %*	-0.4	-0.7	1.5	2.2	1.9
Office Sector [1]					
Deliveries, msf	51.8	52.4	54.7	69.9	55.7
Net Absorption, msf	82.0	53.2	49.3	45.3	35.0
Vacancy Rate	13.8%	13.2%	13.2%	13.5%	13.7%
Asking Rents	$27.68	$29.16	$30.41	$31.03	$31.56
Growth in Asking Rents, Yr/Yr %	3.3%	5.3%	4.3%	2.0%	1.7%
Industrial Sector [1]					
Deliveries, msf	149.1	178.5	230.8	272.6	263.4
Net Absorption, msf	272.3	270.3	281.7	254.4	235.9
Vacancy Rate	6.5%	5.8%	5.2%	5.0%	5.0%
Asking Rents	$5.31	$5.54	$5.75	$6.12	$6.43
Growth in Asking Rents, Yr/Yr %	6.0%	4.2%	3.9%	6.5%	5.1%
Retail Sector [1/2]					
Deliveries, msf	27.5	25.0	21.8	17.9	10.3
Net Absorption, msf	41.7	38.3	34.1	18.1	5.3
Vacancy Rate	7.9%	7.5%	6.9%	6.6%	6.6%
Asking Rents	$15.69	$15.98	$16.45	$16.91	$17.19
Growth in Asking Rents, Yr/Yr %	1.1%	1.9%	2.9%	2.8%	1.6%
Capital Markets [3]					
Total Investment Sales, $ Bil.	$569.3	$511.4	$490.0	$502.6	$460.3
NCREIF Unlevered Returns, AR%	13.3%	8.0%	7.0%	7.2%	6.9%
Moody's/RCA CPPI (All Property Types), % (Year-end, Q4)	11.0%	7.7%	6.7%	6.0%	4.0%

1. Annual asking rents and vacancy rates are averages, not year-end
2. Historical series based on CoStar; Shopping Centers Only (excludes stand-alone and urban retail)
3. Total investment sales includes office, industrial, retail, multifamily, hotel, and land sales
** Annual Average*

Sources: Moody's Analytics, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Federal Reserve, U.S. Census Bureau, U.S. Board of Governors of the Federal Reserve System, The Conference Board, Costar (retail only), Real Capital Analytics NCREIF, Cushman & Wakefield Research

National Office Market

Overview

The U.S. economy continued to demonstrate strength in the third quarter of 2018. Coming off of a strong second quarter—when real gross domestic product (GDP) expanded at a 4.2 percent annualized rate—the economy grew at a 3.5 percent annualized rate. These are the two strongest quarters of growth since mid-2014. Underlying this widespread strength is an economy that is firing on all cylinders—from robust consumer activity to increased private investment to fiscal stimulus and even a moderate expansion in trade activity.

Most national economic indicators are at their strongest point in this expansion cycle, and consequently, as are the fundamentals of the U.S. office market. In the 87 office markets tracked by Cushman & Wakefield, overall average asking rent, at $31.29 per square foot (psf), is at its cyclical high, representing an increase of 2.5 percent on an annual basis. At 38.5 million square feet (msf), new construction completions through third quarter 2018 is ahead of the 31.1 msf that has been absorbed during the same period, contributing to the modest rise in the national vacancy rate to 13.3 percent at the end of third quarter 2018. According to Real Capital Analytics, deal volume for office properties increased on a quarterly and year-over-year basis.

The following summarizes key points regarding employment, according to the Bureau of Labor Statistics:

- Overall unemployment rates have tightened as the nation closes in on full employment. At the end of third quarter 2018, the national unemployment rate, at 3.7 percent, declined 30 basis points over the previous quarter.
- The U.S. market added an average of approximately 190,000 jobs per month in third quarter 2018, the monthly average was brought down by Hurricane Michael's impact on September's employment. The jobs added per month so far in 2018, at 208,000, far exceeds the historical average and is ahead of the 182,000 jobs added per month in 2017.
- The office-using sectors added an average of roughly 53,000 jobs per month in third quarter 2018. Office-using employment growth through September 2018, at 56,800 jobs added per month, was ahead of the 47,000 new jobs per month recorded in 2017. The trend of strong office-using employment growth has been seen throughout this cycle.
- In the office-using industries, employment in the professional & business services sector added an average of 46,300 per month in third quarter 2018. The financial activities industry registered an average of 9,000 jobs added per month, while the information industry lost 2,300 jobs per month during the quarter.
- Job growth is a critical component of determining demand for office space. The national U.S. unemployment rate has gradually declined since 2009, and office-using employment has been one of the biggest gainers during this expansion period. Office-using employment now makes up 21.7 percent of all nonfarm payroll jobs in the U.S.

National Office Market Statistics

Vacancy

At the end of third quarter 2018, the national office market overall vacancy rate was 13.3 percent, increasing 10 basis points year-over-year. The large amount of space consistently being delivered to the market in recent quarters has limited progress made through job gains and leasing activity. Payroll employment, a key driver of the office market, expanded on a year-over-year and quarterly basis in third quarter 2018. Particularly the professional & business services sector which added 541,000 jobs over the past twelve months. The U.S. economy is expected to continue to add jobs, influencing the demand for office space throughout the remainder of 2018 and into 2019.

Notable points include:

- The CBD national office market's overall vacancy rate was 12.5 percent at the end of third quarter 2018. This is in line with the vacancy rate recorded in the previous quarter and marks an increase of 30 basis points on a year-over-year basis. The Raleigh/Durham, NC market recorded the lowest overall vacancy rate within the CBD markets, at 2.9 percent, declining 1.8 percentage points year-over-year.
- The suburban national office market's overall vacancy rate, at 13.7 percent, went unchanged over the previous quarter and declined 10 basis points year-over-year. Within the suburban national office market, the San Francisco, CA market recorded the lowest vacancy rate, at 4.5 percent, declining 50 basis points over vacancy recorded a year ago.
- Vacancy rates are challenged by changes in the workplace environment, including denser, more "collaborative" office space usage and new technology platforms. Net absorption must improve in order to offset the vacancy created by the large quantities of office space hitting certain markets in the near future.

Asking Rents

Coinciding with increased demand and somewhat low national vacancy rates, the national average asking rent has consistently climbed in value, reaching a new high in third quarter 2018. At $31.29 psf, the national weighted average increased 1.2 percent over the previous quarter. The average rent increased on a year-over-year basis in 64 of the 87 markets tracked by Cushman & Wakefield during the third quarter of 2018. In addition, major markets like Midtown Manhattan, San Francisco, Midtown South Manhattan, Downtown Manhattan and Washington D.C., continue to record asking rents above $50.00 psf, on an annual basis. As the national office market anticipates a modest increase in vacancy rates due to greater supply in the next 12 months, this will likely moderate the growth of overall average asking rents.

Further considerations include:

- The South and West regions experienced the fastest rent growth on an annual basis, asking rents increased 3.6 percent and 3.5 percent, respectively.
- The CBD office market continues to record higher asking rents than the suburban office market. The CBD national office overall average asking rent was $41.95 psf, a 1.3 percent increase from second quarter 2018. The suburban national office overall average asking rent, at $26.86 psf, grew 1.0 percent from the average asking rent recorded in second quarter 2018.
- Within the CBD national office market, the San Francisco, CA market recorded the highest average asking rent of $76.99 psf. However, the Tulsa CBD market experienced the largest average rental increase, jumping 24.7 percent over second quarter 2018.

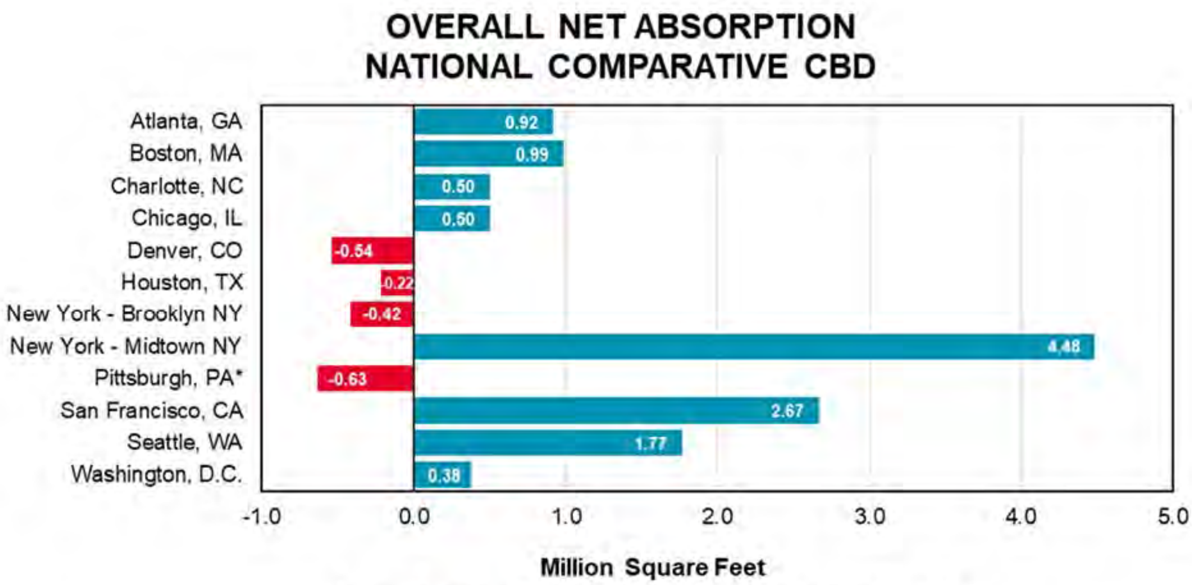
- The San Francisco market, within the suburban national office market, recorded the highest overall average asking rent of $68.01 psf in third quarter 2018. The Charleston, SC suburban market increased 9.4 percent over second quarter 2018, the highest quarterly change in the suburban national office market.

Absorption

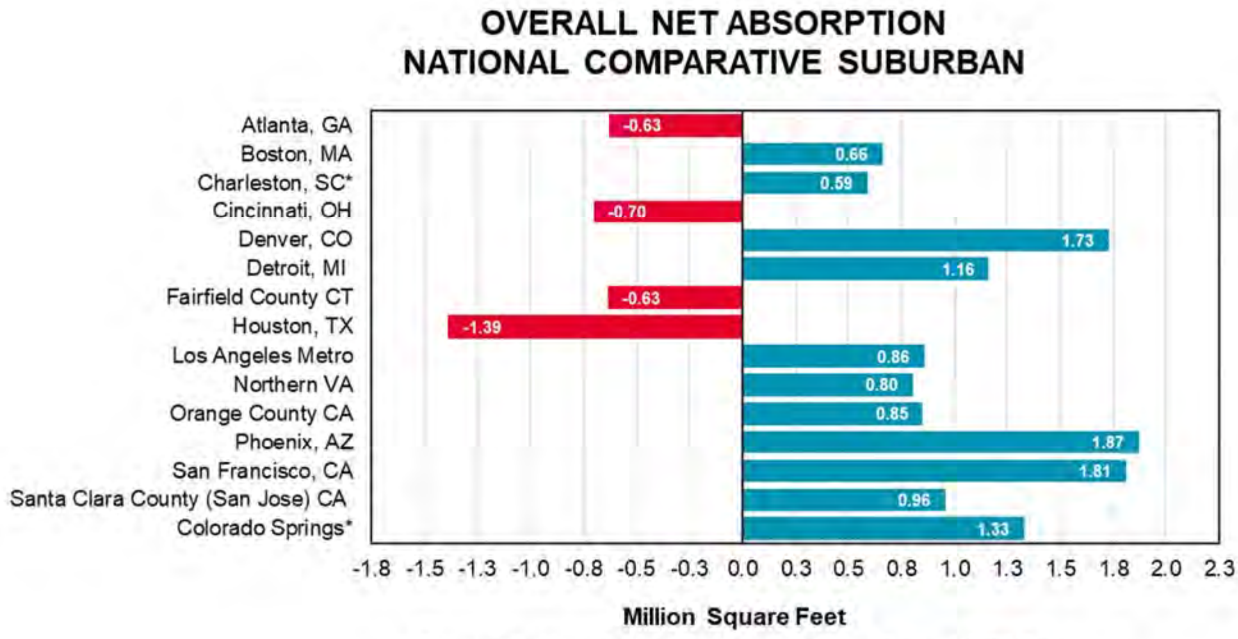
Net absorption totaled 8.3 msf in the third quarter of 2018. Absorption is directly related to employment growth and leasing activity, both of which performed well in the quarter. However, the large amount of new speculative supply being delivered to the market tempered overall net absorption. The West region had the highest share of absorption in the third quarter, capturing 4.9 msf, or 58.5 percent of total absorption.

Further considerations for third quarter 2018 are as follows:

- The CBD national office market, registered almost 14.3 msf of net absorption through third quarter 2018. The largest positive absorption was recorded in the New York, Midtown CBD market, absorbing approximately 4.5 msf through third quarter 2018. In addition, the Orange County, CA CBD market gave back the most amount of space, returning over 639,000 square feet to the market.
- The suburban national office market absorbed 16.8 msf through third quarter 2018. The Phoenix suburban market absorbed the largest amount of space, at approximately 1.9 msf. The Houston market gave back the largest amount of space to the suburban office market, at roughly negative 1.4 msf of net absorption for the first nine months of 2018.
- The charts below highlight the national office absorption trends for the major markets in the United States through third quarter 2018, segmented between the CBD and suburban office markets:



Source: Cushman & Wakefield Research; compiled by C&W V&A



Source: Cushman & Wakefield Research; compiled by C&W V&A

National Office Investment Sales Market

As shown in the comparative absorption exhibits above, overall net absorption in various U.S. markets has not been consistent, which impacts the selection of "preferred" investment markets for office building investors. Historically, investors targeted the best quality assets in "core" markets during a recovery phase, and have gradually shown an inclination to move "down the food chain" in terms of quality and market location. This shift occurs where there is less competition and better yield potential over the near-term. There is no doubt, however, that assets located outside of the major "core" markets are in less demand.

Sales Volume

Office transactions (total dollar volume) have exhibited an upward trend as the economy has expanded over recent years. From 2009 through 2015, investors gained confidence in the office market and sales volume experienced consistent year-over-year growth. It is important to note that sales volume increased 156.4 percent from 2009 to 2010, due in large part to low interest rates and limited level of spending in 2009 as well as higher capitalization rates that followed the recession.

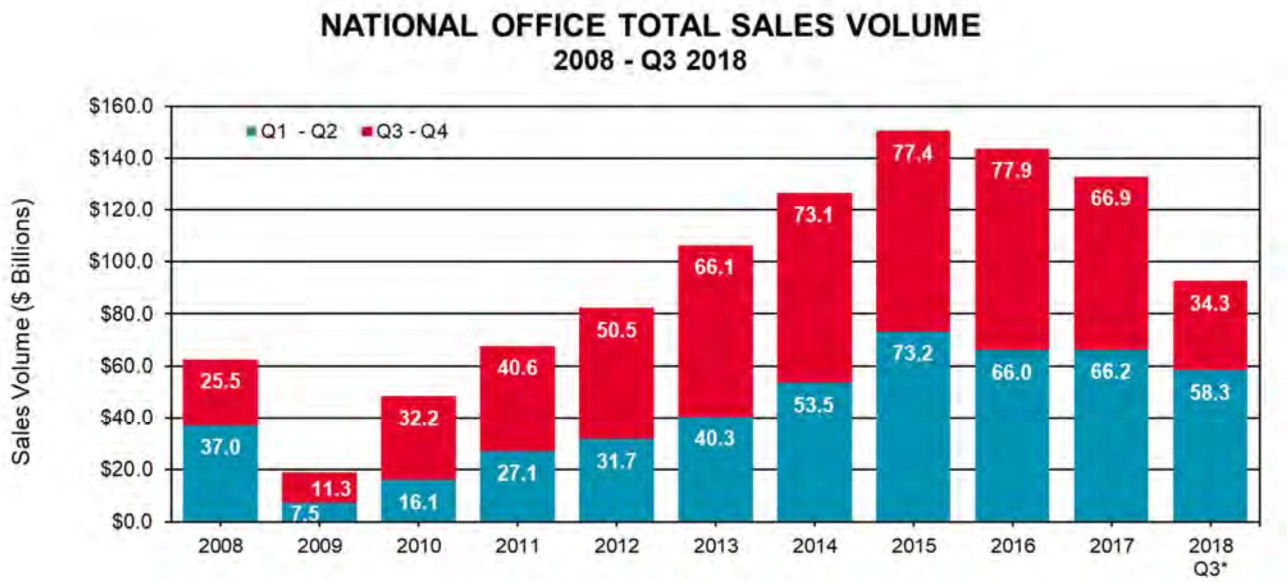
Sales volume reached $143.9 billion in 2016, a 4.5 percent drop when compared with 2015. Sales volume in 2017, at $133.1 billion, declined 7.5 percent from 2016. The relatively lower sales volume exhibited in 2016 and 2017 can be in part explained by the unusual activity in early 2015, where falling cap rates and ease of finance from the commercial mortgage-backed securities (CMBS) market helped drive sales activity. It is worth noting that total office sales volume in 2017 is 9.2 percent above the sales volume for previous five-year annual average.

Further considerations are as follows:

- Sales volume through third quarter 2018, at $92.6 billion, is 3.6 percent behind the same period in 2017. However, deal volume for third quarter 2018 was up 15.3 percent over third quarter 2017. This marks the first increase in volume in five quarters. Deal volume increased across the board for the third quarter, with single asset sales growing 21.0 percent year-over-year.

- Prior to this quarter, sales volume was skewed to an extent due to one-time portfolio sales or entity-level transactions. According to Real Capital Analytics (RCA), the overcast conditions have cleared away as the lagging impact of a heavy pace of megadeal volume dissipates.
- The Raleigh/Durham market saw 125.0 percent year-over-year growth in office deal volume. This may be an indication that owners in certain markets are coming to grips with the fact that prices are about as high as they may go and are more likely to bring product to the market than a year earlier.

The following table provides an historical view of sales volume on an annual basis from 2008 through 2017. The first quarter volume over the last decade has been included for comparable purposes:



Source: Real Capital Analytics, Inc.

Overall Rates

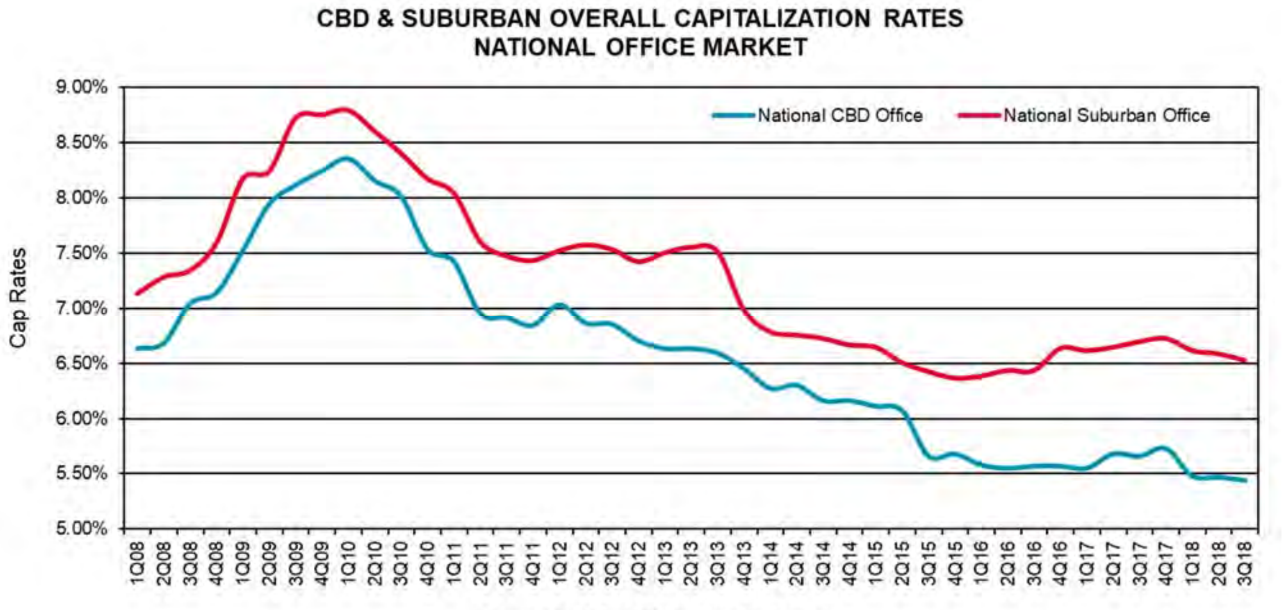
The office sector has generated and sustained investor demand over the past few years, driving down overall cap rates. Typically, CBD properties in major markets have been the primary contributor to the office sector's momentum, although suburban office markets have also exhibited a downward trend since 2009 due to increased investor interest. The performance of individual CBD office markets can be inconsistent, top-tier CBDs are outperforming the country while smaller downtown areas are struggling. Average overall cap rates remain lower for most CBD markets than for its suburban counterparts since higher barriers to entry and a lack of land for new development tend to keep supply and demand more balanced in a market's CBD. As a result, CBD assets typically achieve higher rental rates. Overall cap rates remain near record lows; however, rates have started to fluctuate as interest rates continue their inevitable ascent.

The PwC Real Estate Investor Survey and the National Council of Real Estate Investment Fiduciaries (NCREIF) methodologies offer unique perspectives on capitalization rate trends. The PwC Real Estate Investor Survey calculates its data based on a personal survey of major institutional equity real estate market participants. In contrast, NCREIF looks at data from appraisals included in their benchmark property return index. The index contains quarterly performance data for unlevered investment-grade income-producing properties that are owned by, or on behalf of, exempt institutions.

The following points detail the PwC Real Estate Investor Survey and NCREIF capitalization rate trends:

- The PwC Real Estate Investor Survey shows that as of third quarter 2018, the national CBD OAR declined 22 basis points to 5.44 percent, from third quarter 2017. The suburban OAR, at 6.52 percent in third quarter 2018, declined 17 basis points over the same period in 2017.
- The NCREIF reported that cap rates experienced increases in 2017. At 4.82 percent as of third quarter 2018, the national office cap rates declined 31 basis points over the previous quarter and 14 basis points on a year-over-year basis.

The following graph reflects national trends for CBD and suburban overall capitalization rates as surveyed by the PwC Real Estate Investor Survey:



Source: PwC Real Estate Investor Survey

The graph below reflects national historical capitalization rate trends as reported by NCREIF:

Source: National Council of Real Estate Investment Fiduciaries

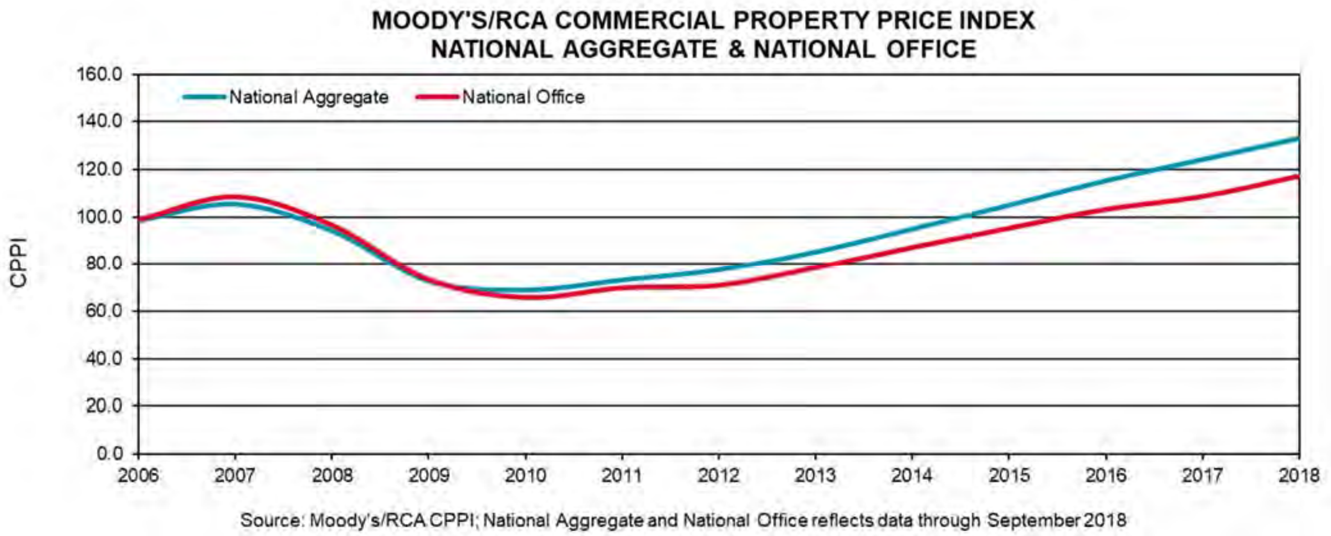
Moody's/RCA Commercial Property Price Index

The Moody's/RCA Commercial Property Price Index ("CPPI") measures the change in price of commercial real estate and reflects the empirical results of direct investments over time. Developed by MIT's Center for Real Estate in conjunction with a consortium of firms including Moody's and RCA, the index tracks price changes based on closed transactions, and implements advanced repeat-sale regression analytics to gauge performance in current and prior periods.

The following points are for consideration regarding the Moody's/RCA CPPI:

- As of September 2018, the national aggregate index was 133.4. The national aggregate index grew 7.2 percent from September 2017, and increased 2.3 percent on a quarterly basis.
- The national office index increased 7.9 percent from 108.8 in September 2017 to 117.4 in September 2018. Compared to the previous quarter (June 2018), the national office index increased 2.3 percent.
- Both the national office index and the national aggregate index have exhibited continued growth during this economic expansion. The national office index ended the quarter 79.7 percent above the low recorded in May 2010, while the national aggregate index has increased 95.4 percent during the same period.

The graph below displays the CPPI from September 2006 to September 2018:

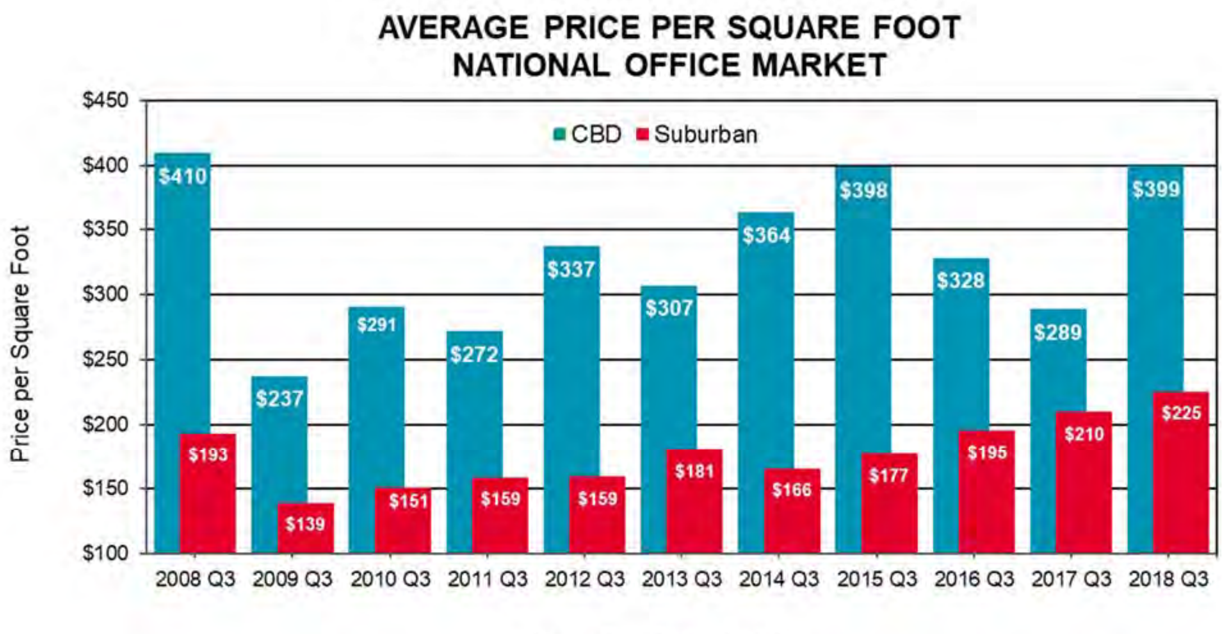


Sale Price Per Square Foot

The following points provide details regarding sale price per square foot:

- The CBD average price per square foot, at $399 as of third quarter 2018, increased 38.3 percent from the same point in 2017 ($289), and is 13.5 percent ahead of second quarter 2018 ($352).
- The suburban average price per square foot, at $225 as of third quarter 2018, is 6.5 percent higher than in second quarter 2018 ($212). The suburban price per square foot also grew 7.6 percent on a year-over-year basis.
- The 10-year period, from third quarter 2009 through third quarter 2018, compound annual growth rate (CAGR) for the CBD is 2.6 percent, trailing the last five-year compound annual growth rate at 7.3 percent. The suburban 10-year CAGR is 2.3 percent while the five-year CAGR is 4.7 percent.

The following graph reflects the national office average price per square foot from third quarter 2008 to third quarter 2018 (based on Real Capital Analytics data):



Source: Real Capital Analytics

National Office Market Summary

The U.S. economy is now in the second longest economic expansion in its history; development during this expansion has contributed to further tightening in office markets across the United States (although we recognize the national market performance is "average" and does not apply to all markets across the board). Overall, capitalization rates stay near record lows despite recent escalations, asking rents are near all-time highs, and sales volume is above the five-year average, as of first quarter 2018. The office market experienced solid leasing, absorption and construction activity during the first quarter, continuing the trends of recent years.

Following are notes regarding the outlook for the U.S. national office market for 2018 and beyond:

- The U.S. economy will face a number of upcoming challenges, none more so than continued interest rate increases. However, the national economy is not expected to slow any time soon. Wages and consumer spending are anticipated to build on an already strong performance. In addition, the sweeping tax bill passed in December 2017 has somewhat offset concerns surrounding interest rates.
- Technology-driven markets continue to represent a large presence within the national office market and it is considered that the tech sector is more important than ever to commercial real estate. According to the Cushman & Wakefield's Tech Cities 2.0 report, the average asking rents in the top 25 tech cities have increased nearly 50.0 percent since 2010, almost twice as fast as U.S. as a whole. In addition, property values in the top 25 tech cities increased roughly 60.0 percent in price per square foot during the same period, more than double the rate of the national average.
- Coworking and flexible office space is a growing sector within the office market. Coworking offers tenants flexibility and talent attraction/retention. More than five msf of this subtype came online in each of the past three years. This incredible pace of growth continued in the first half of 2018 with another three msf added. Currently, coworking flexible space accounts for 1.0 percent of total office inventory. It is expected the flexible office space will triple in size and represent 5.0 – 10.0 percent of inventory in many markets.

- The big story of the national office market will be the continued amount of new construction over the coming year. New supply will offset positive job growth and leasing activity in many markets which will likely lead to flat or rising vacancy. Each market will be influenced by its own supply and demand dynamics, but, overall, most markets are expected to become more occupier favorable over the next 12 months.
- Average asking rents will be influenced by the burst of new supply, however rent is still expected to grow at a moderate pace as demand for newly constructed or refurbished space, which offers modern amenities and layouts, remain strong.
- Steady confidence in the economy will likely lead to continued economic growth, providing more jobs and more demand for office space. Office-using employment is at its record high in terms of the overall percentage of all nonfarm payroll jobs in the U.S. and is expected to increase over the next 12 to 18 months.
- The availability of capital will continue to support the expansion of the U.S. real estate market and the U.S. economy, further reaffirming the positive outlook for the national office market.

San Francisco Bay Area (Oakland), California

Market Definition

Tower 1 Emeryville is located within the San Francisco Bay Area, more specifically part of the Oakland market which represents a component of the San Francisco Bay Area.

The Oakland-Fremont-Hayward Metropolitan Division consists of the counties of Alameda and Contra Costa and is located on the east shore of San Francisco Bay, often referred to as the East Bay Area. The Division encompasses nearly 1,457 square miles. Oakland is part of the greater San Francisco-Oakland Core Based Statistical Area (CBSA), which includes Alameda and Contra Costa Counties.

Current Trends

As noted by Moody's Analytics, Oakland-East Bay's economy has transitioned into late-cycle expansion mode. Rising costs in San Francisco and San Jose make the metro an attractive destination for business and living, although the living-cost advantage has narrowed. According to the current Oakland report by Moody's, "Oakland-Hayward-Berkeley is as strong as it has been since the late-1990s tech boom. Job growth has slowed as Oakland drifts deeper into its late-cycle expansion. The jobless rate is declining and could fall below 3.0 percent for the first time ever. Income growth has exceeded the national average for 29 consecutive quarters; consumers are delinquent on less than 2.0 percent of their loans, easily below the U.S. average." Regarding rising costs, Moody's concludes, "Although Oakland's costs are lower than San Francisco's, they are still high relative to the nation's, which will ensure that job growth remains far slower than it has been in the past few years."

Demographic Trends

Demographic Characteristics

The Oakland CBSA is an expensive place to live, with a cost of living that is 39.0 percent higher than the U.S. average. However, the East Bay remains a more affordable option than most other Bay Area locations. When compared to the U.S., Oakland also differs in demographic aspects relative to income and education levels. Because of the region's proximity to leading universities, innovation and high-tech industries, it is one of the more educated populations in the nation.

Population

The Oakland metro division significantly lagged the U.S. in terms of population growth in 2005 to 2006, but greatly surpassed U.S. growth from 2008 to 2016, when falling house prices spurred inward net migration and kept residents from moving. During that time, the region's annual average population growth increased at 1.3 percent. In 2017, growth slowed to 0.7 percent. In 2018, growth is expected to be 0.6 percent.

Further highlights are as follows:

- The region's average annual growth rate between 2007 and 2017 of 1.3 percent was above the 0.8 percent average annual growth for the U.S. Between 2018 and 2022, the region is expected to have annual average growth of 0.7 percent; matching the U.S. growth.

- According to the Brookings Institute, the latest census numbers released (2010) indicate a topsy-turvy pattern of population movement across the U.S. over a 10-year period which ended with the greatest migration slowdown since the end of World War II. Domestic migrants responded to the economic downturn by "staying put" or in some cases returning home. These migration shifts were affected by a series of events that included a mid-decade housing bubble, followed by the financial crisis and Great Recession. As the housing and job markets have recovered and depending on economic factors, migration may recover to levels more in keeping with the recent past.

The following table shows the region's annualized population growth by county:

Annualized Population Growth by County
Oakland Metropolitan Division vs. San Jose-San Francisco-Oakland CSA
2007-2022

Population (000's)	2007	2017	Forecast 2018	Forecast 2022	Compound Annual Growth Rate 07-17	Compound Annual Growth Rate 18-22
United States	301,231.2	325,719.2	328,034.9	336,614.5	0.8%	0.6%
San Jose-San Francisco-Oakland CSA	**7,879.3**	**8,837.8**	**8,885.3**	**9,129.0**	**1.2%**	**0.7%**
Oakland Metropolitan Division	**2,464.9**	**2,810.6**	**2,827.1**	**2,911.3**	**1.3%**	**0.7%**
Alameda County	**1,455.7**	**1,663.2**	**1,673.7**	**1,725.9**	**1.3%**	**0.8%**
Contra Costa County	**1,009.2**	**1,147.4**	**1,153.4**	**1,185.4**	**1.3%**	**0.7%**
Santa Clara County	1,712.0	1,938.2	1,945.8	1,999.3	1.2%	0.7%
San Francisco County	778.7	884.4	892.0	925.8	1.3%	0.9%
San Mateo County	693.8	771.4	775.6	792.2	1.1%	0.5%
San Joaquin County	668.1	745.4	751.5	774.5	1.1%	0.8%
Sonoma County	467.4	504.2	504.4	510.1	0.8%	0.3%
Solano County	408.2	445.5	449.0	462.7	0.9%	0.8%
Santa Cruz County	253.3	275.9	277.1	281.6	0.9%	0.4%
Marin County	246.2	261.0	260.7	265.4	0.6%	0.4%
Napa County	132.6	141.0	141.5	143.4	0.6%	0.3%
San Benito County	54.1	60.3	60.6	62.7	1.1%	0.9%

Source: Data Courtesy of Moody's Analytics, Cushman & Wakefield Valuation & Advisory

Economic Trends

Employment Distribution

Oakland-East Bay's employment base is fairly diverse and very similar to that of the U.S. The trade, transportation and utilities sector is the most prominent employment sector in Oakland, accounting for 17.5 percent of employment in the region, followed by education and health services with 16.6 percent of employment and professional and business services with 15.8 percent.

Further considerations are as follows:

- The government sector, an economic driver of the region, is also heavily weighted, accounting for 14.8 percent of the employment base, matching the nation's 15.0 percent.
- In May 2018, the construction, manufacturing, professional and business services, and trade, transportation and utilities sectors had the strongest job growth over the prior year.

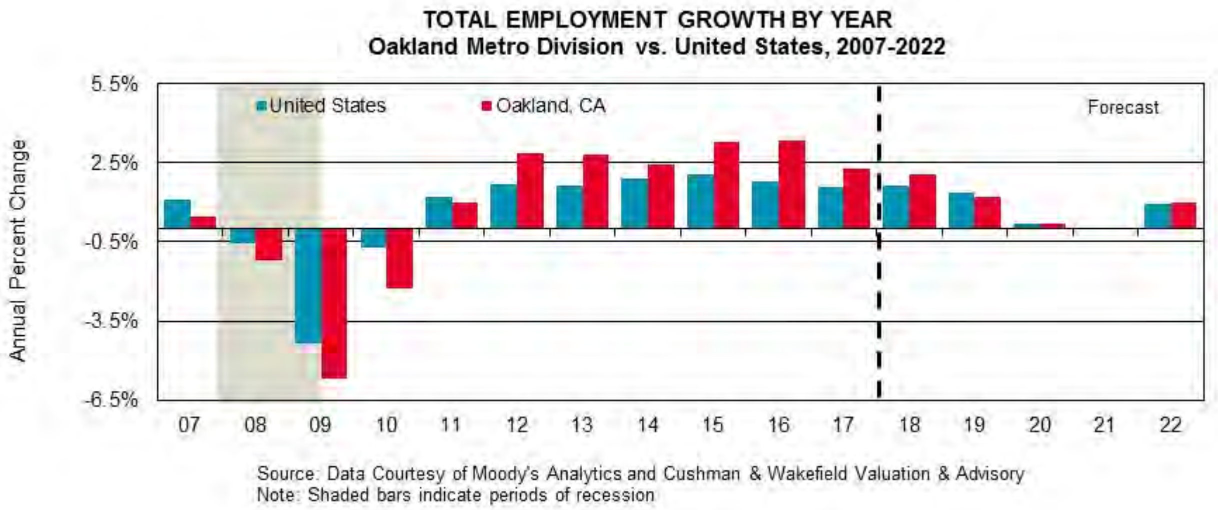
Employment Growth

Over the past decade, employment growth in the Oakland metro division lagged the United States until 2012. Like the rest of the nation, job losses in the region peaked in 2009 but lessened in 2010. By 2011, employment growth was positive, albeit modest, however, between 2012 and 2017 employment growth was healthy, averaging 2.8 percent annually. Average monthly year-over-year employment growth from January to May 2018 was 2.0 percent.

Further details are as follows:

- Between 2007 and 2017, Oakland's total non-farm employment growth was 0.8 percent, slightly above the U.S. growth of 0.6 percent over the same period.
  - Oakland's employment is forecast to increase at an annual average rate of 0.6 percent from 2018 to 2022, matching the United States forecast of 0.6 percent.

The following graph illustrates total non-farm employment growth per year, for Oakland metro and the U.S.:



Conclusion

The Oakland-East Bay economy, though healthy, has entered into late-cycle expansion. Job growth has slowed over the past two years while wage growth has exceeded the national average for 29 consecutive quarters. The East Bay's relatively lower business and living costs relative to San Francisco and San Jose/Silicon Valley are desirable for the metro division to attract businesses seeking cost savings, and although affordability is narrowing, spillover growth from its neighbors is stronger than expected. The region's strengths include the presence of automaker Tesla who, even with its challenges, makes a positive economic impact on the metro, as well as ample infrastructure for transportation and distribution facilities.

Further considerations follow:

- Although housing is relatively speaking, more affordable than in San Francisco and Silicon Valley, the East Bay median housing prices continue to rise.

- With office rental rates rising dramatically in San Francisco and San Jose, the East Bay office market is becoming more desirable. Although 2018 Oakland office activity got a slow start, Cushman & Wakefield Research reported in first quarter 2018, “There is approximately 2.2 million square feet of office product under construction/renovation, 876,000 square feet of which is set to complete in the second half of 2018. Activity is expected to pick back up in coming quarters with the volume of tenant requirements having increased in the latter part of the first quarter.” Moody’s reported in May 2018, “The metro division’s Class A office space is 25.0 percent cheaper than San Francisco’s. Millennial workers, who are more averse to commuting than previous generations, are increasingly locating in Oakland because they cannot afford to live in San Francisco. Its proximity to workers, lower costs, and available land render the metro division a desirable place for tech companies to expand.”
- The East Bay has a very strong high-tech industrial base, with more biotechnology companies than the third largest biotech cluster, San Diego. The East Bay is led by a wealth of research and development contributed by national labs, universities and institutes.

Oakland Office Market and North Alameda Office Submarket

Introduction

Reis, Inc. classifies the Oakland-East Bay Office market into eight submarkets, and segregates inventory by type of space (Class A versus Class B/C). The subject lies within the North Alameda submarket of Oakland-East Bay.

Submarket Snapshot

The Oakland-East Bay Office market contains 53,927,000 square feet of space. North Contra Costa is the largest submarket, comprising 20.8 percent of the area's total inventory. West Contra Costa is the smallest submarket with 3.5 percent of total inventory. The subject submarket contains 5,381,000 square feet, or 10.0 percent of the region's inventory.

The following table presents the geographic distribution of inventory, along with other statistical information.

GEOGRAPHIC DISTRIBUTION OF INVENTORY

Submarket	Class	No. of Buildings	Inventory (SF)	% Total	Vacancy Rate (%)	Net Absorption	Asking Rent ($/SF)
Airport/San Leandro/Hayward	A		1,794,000	3.3	17.7	1,000	$29.24
Airport/San Leandro/Hayward	B/C		2,467,000	4.6	13.7	20,000	$21.39
Airport/San Leandro/Hayward	**A/B/C**	**97**	**4,261,000**	**7.9**	**15.4**	**21,000**	**$24.72**
Central Business District	A		5,592,000	10.4	8.1	-35,000	$52.62
Central Business District	B/C		5,024,000	9.3	15.3	-39,000	$39.72
Central Business District	**A/B/C**	**130**	**10,616,000**	**19.7**	**11.5**	**-74,000**	**$46.57**
Fremont/Newark	A		1,118,000	2.1	16.1	2,000	$27.17
Fremont/Newark	B/C		2,054,000	3.8	24.9	-21,000	$22.24
Fremont/Newark	**A/B/C**	**58**	**3,172,000**	**5.9**	**21.8**	**-19,000**	**$23.95**
North Alameda	A		2,608,000	4.8	9.2	-15,000	$38.18
North Alameda	B/C		2,773,000	5.1	8.0	-18,000	$31.32
North Alameda	**A/B/C**	**154**	**5,381,000**	**10.0**	**8.6**	**-33,000**	**$34.60**
North Contra Costa	A		5,717,000	10.6	18.3	-24,000	$38.17
North Contra Costa	B/C		5,521,000	10.2	12.5	2,000	$28.07
North Contra Costa	**A/B/C**	**184**	**11,238,000**	**20.8**	**15.5**	**-23,000**	**$33.19**
North I-680	A		6,633,000	12.3	13.0	25,000	$30.23
North I-680	B/C		2,483,000	4.6	20.7	-16,000	$28.48
North I-680	**A/B/C**	**87**	**9,116,000**	**16.9**	**15.1**	**9,000**	**$29.71**
South I-680	A		4,428,000	8.2	21.6	7,000	$32.58
South I-680	B/C		3,816,000	7.1	16.2	-58,000	$24.10
South I-680	**A/B/C**	**111**	**8,244,000**	**15.3**	**19.1**	**-50,000**	**$28.68**
West Contra Costa	A		592,000	1.1	13.5	-2,000	$36.66
West Contra Costa	B/C		1,307,000	2.4	17.2	7,000	$28.48
West Contra Costa	**A/B/C**	**47**	**1,899,000**	**3.5**	**16.1**	**5,000**	**$31.01**
Total A	A		28,482,000	52.8	14.5	-41,000	$37.26
Total B/C	B/C		25,445,000	47.2	15.3	-123,000	$29.07
Total/Average	**A/B/C**	**868**	**53,927,000**	**100.0**	**14.9**	**-164,000**	**$33.40**

Source:

As of third quarter 2018, the overall vacancy rate for the market is 14.9 percent. The subject's North Alameda submarket has a vacancy rate of 8.6 percent.

The average asking rental rate for all types of space within the market is $33.40 per square foot. The subject's North Alameda submarket has an average asking rental rate of $34.60 per square foot.

Class A buildings constitute 52.8 percent of existing inventory and are exhibiting a lower vacancy rate (14.5 percent) than Class B/C buildings (15.3 percent) and higher average asking rents of $37.26 versus $29.07 per square foot.

Supply

Inventory and Construction Completions

Between 2013 and 2017 a total of 196,000 square feet of space was completed or an average of 39,200 square feet per year. No new space was completed as of third quarter 2018. Over the next five years, Reis projects that an additional 2,166,000 square feet will be completed in the Oakland-East Bay market.

Within the subject submarket, no space was completed between 2013 and 2017. Over the next five years, Reis projects that an additional 30,000 square feet of new space will be completed within the North Alameda submarket.

The following table presents historical inventory and projected completions for the region and subject submarket.

HISTORICAL AND PROJECTED INVENTORY & COMPLETIONS (SF)

	Oakland-East Bay					North Alameda					
Year	Class A	Completions	Class B/C	Completions	Total Completions	Class A	Completions	Class B/C	Completions	Total Completions	% of Region
2013	26,732,000	0	25,814,000	0	0	2,608,000	0	2,773,000	0	0	0.0%
2014	28,467,000	0	25,702,000	0	0	2,608,000	0	2,773,000	0	0	0.0%
2015	28,326,000	40,000	25,683,000	0	40,000	2,608,000	0	2,773,000	0	0	0.0%
2016	28,458,000	132,000	25,475,000	0	132,000	2,608,000	0	2,773,000	0	0	0.0%
2017	28,482,000	24,000	25,445,000	0	24,000	2,608,000	0	2,773,000	0	0	0.0%
3Q18	28,482,000	0	25,445,000	0	0	2,608,000	0	2,773,000	0	0	0.0%
2018	---	---	---	---	488,000	---	---	---	---	0	0.0%
2019	---	---	---	---	931,000	---	---	---	---	0	0.0%
2020	---	---	---	---	200,000	---	---	---	---	10,000	5.0%
2021	---	---	---	---	265,000	---	---	---	---	10,000	3.8%
2022	---	---	---	---	282,000	---	---	---	---	10,000	3.5%
2013-2017											
Total Completions		**196,000**		**0**	**196,000**		**0**		**0**	**0**	
Annual Average		**39,200**		**0**	**39,200**		**0**		**0**	**0**	**0.0%**

Source: Reis, Inc.

Demand

Vacancy Rates

As shown in the following chart, vacancy rates decreased from 17.4 in 2013 to 14.1 percent in 2017. For third quarter 2018 the vacancy rate stands at 14.9 percent. Over the near term, Reis projects a rise in vacancy levels for Oakland-East Bay, with vacancy ranging from 14.9 to in 2018 to 15.7 percent in 2022.

Between 2013 and 2017, vacancy rates decreased from 9.2 to 7.7 percent. The current vacancy rate for the submarket is 8.6 percent. Over the near term, Reis is projecting a rise in vacancy for the North Alameda submarket, with vacancy levels ranging from 8.1 percent in 2018 to 9.3 percent in 2022.

The following table presents historical and projected vacancy rates for the region and subject submarket.

HISTORICAL AND PROJECTED VACANCY RATES (%)						
	Oakland-East Bay			North Alameda		
Year	Class A	Class B/C	Total	Class A	Class B/C	Total
2013	16.9	18.0	17.4	5.3	12.9	9.2
2014	17.6	18.4	18.0	7.2	14.8	11.1
2015	15.3	17.0	16.1	5.1	12.6	9.0
2016	12.6	14.7	13.6	3.5	6.5	5.0
2017	12.7	15.7	14.1	7.4	7.9	7.7
3Q18	14.5	15.3	14.9	9.2	8.0	8.6
2018	---	---	14.9	---	---	8.1
2019	---	---	15.4	---	---	8.0
2020	---	---	15.4	---	---	8.2
2021	---	---	15.5	---	---	8.8
2022	---	---	15.7	---	---	9.3

Source: Reis, Inc.
Note: Reis does not differentiate between space that is available directly from the landlord or as a sublease. Any space that is available immediately for leasing (i.e. within 30 days) is considered vacant by Reis' standards.

As shown, Class A buildings within the region are exhibiting a lower vacancy rate (14.5 percent) than Class B/C buildings (15.3 percent). Within the subject submarket, Class A buildings are exhibiting higher vacancies than Class B/C buildings (9.2 percent versus 8.0 percent).

Absorption Trends

Absorption measures change in the level of occupied space in a geographic region over a specific period of time. Absorption is not a measure of leasing activity. It reflects increasing, stable or decreasing demand for space. If the level of occupied space increases from one period to the next, demand has increased. If no change has occurred, demand is stable. If the level of occupied space is lower, demand has decreased. All things being equal, positive absorption lowers vacancy rates and negative absorption increases vacancy rates. A newly constructed building that enters the marketplace vacant will adversely affect the vacancy rate but have no bearing on absorption since it has not altered the level of occupancy.

Over the past few years, new construction activity within the Oakland-East Bay region has trailed absorption. As shown in the following table, an annual average of 39,200 square feet of space was completed in the region between 2013 and 2017, while 650,000 square feet was absorbed. Over the next five years, Reis projects that construction will exceed absorption with new construction totaling 2,166,000 square feet, and absorption totaling 963,000 square feet.

Between 2013 and 2017, new construction within the North Alameda submarket trailed absorption, with an annual average of 0 square feet completed and 55,000 square feet absorbed. Over the next five years, Reis projects that new construction will surpass absorption (new construction will total 30,000 square feet, and -61,000 square feet is expected to be absorbed).

The following table presents historical and projected absorption levels and completions for the region and the subject submarket.

HISTORIC AND PROJECTED NET ABSORPTION (SF)								
	Oakland-East Bay				North Alameda			
Year	Class A	Class B/C	Total Absorption	Total Completions	Class A	Class B/C	Total Absorption	Total Completions
2013	273,000	50,000	323,000	0	182,000	11,000	194,000	0
2014	1,232,000	-194,000	1,037,000	0	-49,000	-53,000	-102,000	0
2015	536,000	349,000	885,000	40,000	53,000	60,000	113,000	0
2016	875,000	412,000	1,290,000	132,000	44,000	170,000	215,000	0
2017	-6,000	-277,000	-285,000	24,000	-104,000	-40,000	-145,000	0
3Q18	-41,000	-123,000	-164,000	0	-15,000	-18,000	-33,000	0
2018	---	---	2,000	488,000	---	---	-21,000	0
2019	---	---	522,000	931,000	---	---	6,000	0
2020	---	---	124,000	200,000	---	---	-4,000	10,000
2021	---	---	178,000	265,000	---	---	-22,000	10,000
2022	---	---	137,000	282,000	---	---	-20,000	10,000
2013-2017								
Total Absorption	**2,910,000**	**340,000**	**3,250,000**	**196,000**	**126,000**	**148,000**	**275,000**	**0**
Annual Average	**582,000**	**68,000**	**650,000**	**39,200**	**25,200**	**29,600**	**55,000**	**0**

Source: Reis, Inc.

Rental Rate Trends

As shown in the following chart, average asking rents in the Oakland-East Bay region have jumped from $26.49 per square foot in 2013 to $32.49 per square in 2017, indicating a compound annual growth rate (CAGR) of 5.2 percent. In the next five years, average asking rents are expected to increase from $33.62 per square foot in 2018 to $36.54 per square foot in 2022. Currently the average asking rent stands at $33.40 per square foot.

Average asking rental rates in the North Alameda submarket increased from an average of $27.91 per square foot in 2013 to $33.28 per square foot in 2017, demonstrating a CAGR of 4.5 percent. Over the next five years, average asking rents are expected to increase from $34.68 per square foot in 2018 to $36.27 per square foot in 2022. The current average asking rent stands at $34.60 per square foot.

The following table presents historical and projected average asking rental rates for the region and subject submarket.

Historical and Projected Average Asking Rental Rates ($/SF)										
	Oakland-East Bay					North Alameda				
Year	Class A	Class B/C	Total	% Change	Effective Rent	Class A	Class B/C	Total	% Change	Effective Rent
2013	$29.78	$23.09	$26.49	1.5	$20.69	$30.12	$25.84	$27.91	0.6	$22.08
2014	$30.50	$23.61	$27.23	2.8	$21.27	$31.25	$25.78	$28.43	1.9	$22.46
2015	$32.74	$25.30	$29.20	7.2	$22.87	$33.68	$27.29	$30.39	6.9	$23.99
2016	$35.22	$27.40	$31.52	7.9	$24.83	$37.30	$29.94	$33.51	10.3	$26.80
2017	$36.26	$28.27	$32.49	3.1	$25.56	$36.86	$29.91	$33.28	-0.7	$26.55
3Q18	$37.26	$29.07	$33.40	0.6	$26.27	$38.18	$31.32	$34.60	2.3	$27.66
2018	---	---	$33.62	3.5	$26.41	---	---	$34.68	4.2	$27.67
2019	---	---	$34.57	2.8	$27.12	---	---	$35.18	1.4	$28.02
2020	---	---	$35.22	1.9	$27.54	---	---	$35.48	0.9	$28.15
2021	---	---	$35.89	1.9	$28.00	---	---	$35.90	1.2	$28.36
2022	---	---	$36.54	1.8	$28.43	---	---	$36.27	1.0	$28.56
2013-2017										
CAGR	**5.05%**	**5.19%**	**5.24%**			**5.18%**	**3.72%**	**4.50%**		

Source: Reis, Inc.
Notes: CAGR stands for Compound Annual Growth Rate. Asking rents cited by Reis reflect the advertised rental rates for actively marketed space. Effective rents net of any rental concessions, expressed over the life of the lease term. Reis quotes Office rents on a Gross basis.

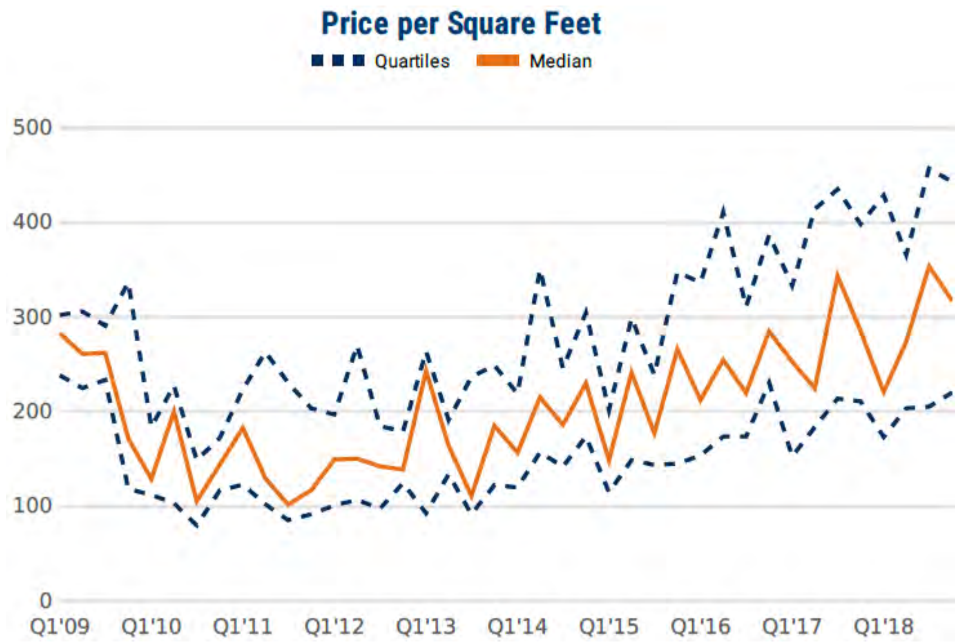
As shown, Class A buildings within the region are exhibiting higher average asking rents ($37.26 per square foot) than Class B/C buildings ($29.07 per square foot). Within the subject submarket, Class A buildings have higher average asking rents than Class B/C buildings ($38.18 per square foot versus $31.32 per square foot).

Oakland-East Bay Office Conclusion

Vacancy levels for the Oakland-East Bay Office market have decreased since 2013 and are expected to rise from 14.9 percent next year to 15.7 percent in 2022. Over the near term, new construction activity should exceed absorption, and average asking rates are forecasted to range from $33.62 per square foot at the end of next year to $36.54 per square foot in 2022.

Emeryville Office Investment Sales Market

According to Real Capital Analytics, 97 office sale transactions closed in the 12 months ending December 2018, with a total volume of $2.572 billion, averaging a price of approximately $336 per square foot. The 97 buildings total 8.1 million square feet. Capitalization rates for this period averaged 5.5 percent, with an average of 4.2 percent reported for the fourth quarter of 2018. As shown in the following graphic, prices have generally trended upward since late 2013 and have consistently exceeded the benchmark (United States) averages. RCA did not report capitalization rates on the trend charts for this market.



Source: RCA Analytics

Subject – Tower I at Emeryville

Location Overview

The subject is located in Alameda County, within the city of Emeryville. Generally, the boundaries of the immediate area are Ashby Street to the north, 40th Street to the south, San Pablo Avenue to the east and the San Francisco Bay to the west.

Neighborhood Analysis

The City of Emeryville, a community of about 10,000 residents, is located on the East Shore of San Francisco Bay between Berkeley and Oakland. Emeryville is conveniently nestled at the eastern side of the San Francisco / Oakland Bay Bridge, making San Francisco a short 7 miles away. The proximity of Emeryville to the Bay Bridge and San Francisco, the University of California at Berkeley, Interstate 80, Downtown Oakland, the Port of Oakland, Oakland International Airport and BART provides Emeryville with an absolutely central location in the Bay Area. This central location has generated significant redevelopment, some of which is still underway throughout Emeryville.

During the last two decades, Emeryville has remade itself from an industrial city into a densely populated, upscale urban environment by the Bay. With successful redevelopment of former industrial sites, the city is thriving and experiencing a housing, retail and office boom. Once dominated by post WWII obsolete industrial land uses and an unappealing Downtown, Emeryville has emerged as one of the Bay Area's most dynamic and desirable communities. It has attracted a number of new businesses and morphed into a vibrant "New Emeryville". Due to its central location, Emeryville's primary commercial activities centered on warehousing and distribution. Over the past 20 years, the combination of its pro-business city administration and proximity to the innovative minds at U.C. Berkeley has made Emeryville a bustling employment center with a hip urban culture. It is now home to biotech leader Novartis, and industry leaders LeapFrog, Clif Bar, and Pixar. Drivers no longer pass through Emeryville as a conduit to another destination.

Nearby and Adjacent Uses

The subject's local area consists of high-rise office and commercial uses. Immediate adjacent uses are as follows:

- North – 2100 Powell Street, a 16-story, 345,982 square foot Class A office building;
- South – The San Francisco Bay;
- East – Hilton Garden Inn, a 278 room and 13-story hotel built in 1971;
- West – 2000 Powell Street, a 16-story, 360,709 square foot Class A office building.

Special Hazards or Adverse Influences

We observed no detrimental influences in the local market area, such as landfills, flood areas, noisy or air polluting industrial plants, or chemical factories.

Land Use Changes

The neighborhood was a predominantly light industrial area and over the past 10 years has been redeveloped into various uses. The character of the neighborhood has changed to a combination of residential, commercial, high tech, live/work and light industrial uses. The resident component is the strongest component, with most of the recent development oriented towards this type of use.

Access

Alameda County is well served by an extensive system of both local and regional freeways. Three major thoroughfares serve the county. The first of these is Interstate 80/880 that travels south from western Contra Costa County, south through Emeryville and Oakland, and on to San Jose. The second, Interstate 680, runs north/south through Central Alameda County and connects the Concord/Pleasant Hill/Walnut Creek area in Contra Costa County with San Ramon/Dublin/Pleasanton and further to the south with Silicon Valley. The third major Interstate, I-580, is an east/west route connecting eastern Alameda County with Marin County. Emeryville is within twenty minutes of Oakland International Airport, and is one mile from the Ashby and McArthur Bay Area Rapid Transit (BART) system stations. With the assistance of local businesses, the City of Emeryville sponsors a free shuttle service, Emery Go Round, throughout the City, which transports passengers to the BART station. The shuttle runs every 11 minutes during rush hour and is a major draw to tenants. Emeryville Station, the Bay Area's major Amtrak stop, accommodates 500,000 passengers a year.

Conclusion

The subject is located in a mixed-use area of office, residential and retail uses, with a few remaining light industrial uses in the general area. Revitalization efforts undertaken by the City of Emeryville, as well as relocation to the city, have had a positive impact on Emeryville. New planned developments will further enhance the existing growth experienced in the area. Continued growth in other Bay Area markets (San Francisco, SF Peninsula and Silicon Valley) has benefited East Bay markets, especially Emeryville. Long-term fundamentals for the area remain positive.

Competitive Market Survey – Micro Market

In order to gain a better understanding of the market conditions specific to the subject, we conducted a survey of those buildings that would be considered most competitive to the subject.

Micro Market Snapshot

We have identified office buildings with the following characteristics as being directly competitive with the subject.

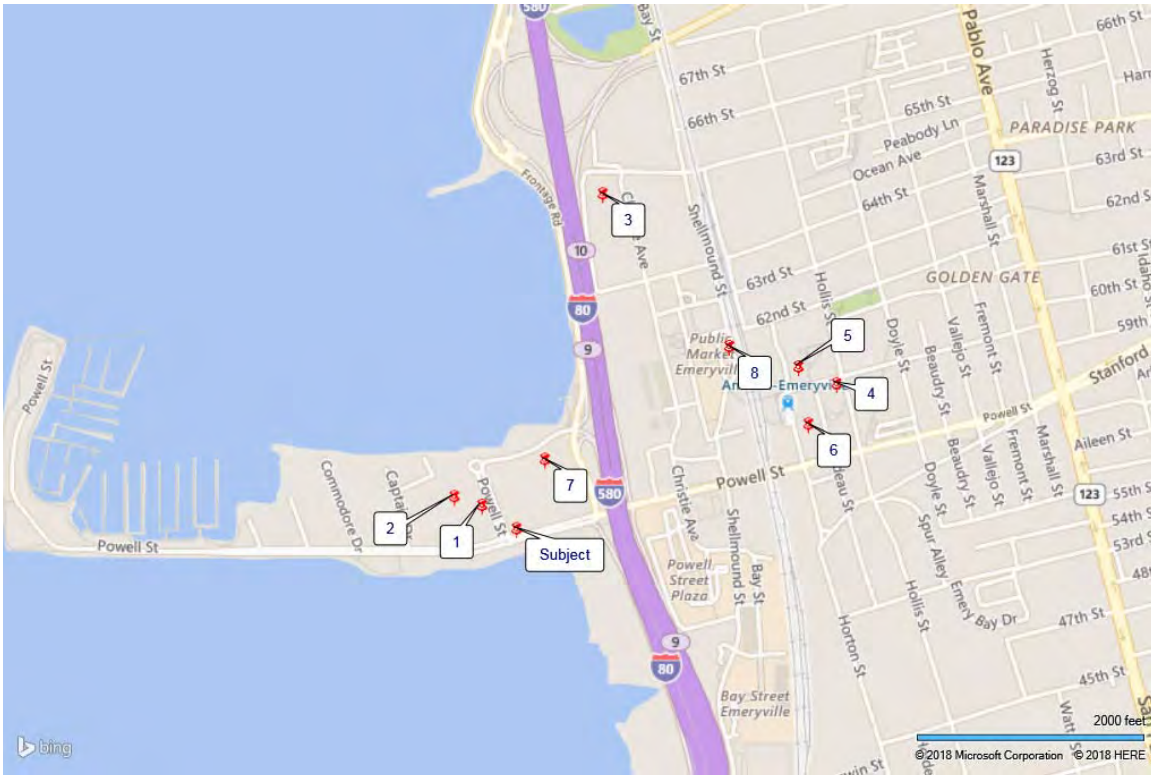
- Mid-rise to high-rise office product in the immediate vicinity

The following table contains the results of a CoStar Group and Cushman & Wakefield survey of existing competitive properties. These buildings are similar in terms of location, physical attributes, and access to amenities:

COMPETITIVE MICRO MARKET											
No.	Name	Address	Parking Ratio	Year Built	Stories	RBA (SF)	Direct Vacant SF	% Leased	Ask Rate/SF	Expenses	FS Equivalent
S	**Tower I Emeryville**	**1900 Powell Street**	**1.35**	**1972**	**12**	**222,207**	**44,182**	**80.1**	**$52.50**	**Full Service Gross**	**$52.50**
1	Tower III Emeryville	2000 Powell St	3.00	1984	16	360,709	12,037	96.7	$52.80	Full Service Gross	**$52.80**
2	Tower II Emeryville	2200 Powell St	3.00	1984	12	232,102	6,807	97.1	$51.69	Full Service Gross	**$51.69**
3	Emerybay Offices C	6475 Christie Ave	3.30	1987	5	123,042	5,332	95.7	$30.25	Full Service Gross	**$30.25**
4	5885 Hollis St	5885 Hollis St	0.00	2007	4	245,000	0	100.0	-	-	**-**
5	EmeryStation North	5980 Horton St	3.00	2001	6	170,000	0	100.0	-	-	**-**
6	EmeryStation I	5858 Horton St	3.00	1999	5	265,000	10,081	96.2	Withheld	-	**Withheld**
7	2100 Powell	2100 Powell St	3.00	2001	16	345,982	4,824	98.6	Withheld	-	**Withheld**
8	6001 Shellmound St	6001 Shellmound St	3.00	1989	8	109,242	30,904	71.7	Withheld	-	**Withheld**
OVERALL STATISTICS INCLUDING SUBJECT											
Low:			0.00	1972	4	109,242	0	71.7	$30.25		$30.25
High:			3.30	2007	16	360,709	44,182	100.0	$52.80		$52.80
Average/Total:			**2.52**	**1992**	**9**	**230,365**	**12,685**	**94.5**	**$46.81**		**$46.81**

FS- 'Full Service Gross'
Source: CoStar Goup, Inc. and Cushman & Wakefield Western, Inc.

MICRO MARKET MAP



We surveyed 9 competitive office buildings within the submarket, including the subject, containing approximately 2.1 million square feet. The average vacancy is approximately 5.5 percent, which is well below the city-wide average of 18.0percent.

Excluding the outlier, average asking rates for competitive office space range from $52.00 to $54.00 per square foot, with an average of $52.75 per square foot on an equivalent full service (FS) rental basis. A “full service” lease structure is defined by market participants as tenants responsible for any increases in operating expenses over base year occupancy including real estate taxes, insurance, common area maintenance and utilities. Lease rates include a tenant improvement package ranging from $0.00 to $50.00 per square foot per year of the lease term for new leases, and none (As Is) to $25.00 per square foot per year of the lease term for renewal leases. Lease terms typically reflect annual escalations 2.5 to 3.0 percent for full service leases. The range in average asking rental rates is primarily based on the property location, the quality and amount of tenant buildout, and other property characteristics.

The subject falls generally in the high end of this set in terms of access to amenities, overall quality/condition, and parking facilities. Accordingly, it commands rents in line with those assumptions.

Market Trends

As reflected by the following table, market trends reflect a recent decrease in vacancy attributable and an increase in asking rents.

COMPETITIVE MICRO MARKET TRENDS

Period	No. of Buildings	Inventory Square Feet	Vacant Available Sq. Ft.	Percent Vacant Available	Net Absorption Sq. Ft.	Average Asking FS Rent PSF	Deliveries No. of Bldgs.	Deliveries Rentable Sq. Ft.	Under Construction No. of Bldgs.	Under Construction Rentable Sq. Ft.
YTD	9	2,074,288	161,649	7.80%	58,931	$50.55	0	0	0	0
2017	9	2,074,288	185,168	8.90%	(7,204)	$50.25	0	0	0	0
2016	9	2,074,288	204,287	9.80%	(11,913)	$46.21	0	0	0	0
2015	9	2,074,288	161,268	7.80%	137,632	$39.29	0	0	0	0
2014	9	2,074,288	357,077	17.20%	35,343	$34.50	0	0	0	0
2013	9	2,074,288	293,851	14.20%	(118,198)	$30.83	0	0	0	0

FS- 'Full Service Gross"

Source: CoStar Group, Inc. and Cushman & Wakefield Western, Inc.

Subject’s Competitive Market Position

The subject is considered a Class A office complex by market participants based on its quality, condition and tenancy. The subject benefits from being located within a well-established submarket centrally located within the San Francisco Bay Area, proximate to primary demand generators and local area amenities. The subject also benefits from being located near major thoroughfares and public transportation with good accessibility from surrounding markets. The subject’s immediate market reflects a competitive supply of available office space with stable rental rates. The subject offers adequate amenities that are attractive to prospective tenants as evidenced by its current tenancy. Thus, based on the subject’s locational characteristics, project quality and current tenancy, the subject has a good competitive position in comparison to other comparable buildings within the immediate market.

Micro Market Outlook and Conclusions

The subject submarket is becoming more attractive to tenants being “priced out” of San Francisco. Typical buildings contain expansive Bay and San Francisco views given the lack of high-rise construction in the surrounding environs. Our outlook for the submarket is optimistic in the near term and cautiously optimistic in the long term.

SWOT Analysis

The SWOT or Strengths, Weaknesses, Opportunities, Threats, analysis provides general and specific insight relative to a particular asset or entity; in this case, the subject. The Strengths and Weaknesses components of a SWOT analysis typically reflect good and bad attributes internal or specific to the subject, while the Opportunities and Threats are generally external or economic considerations that influence the subject positively and negatively. The chart below outlines our conclusions.

SWOT ANALYSIS

Strengths

- The subject's income is relatively close to market levels
- The building commands strong Bay and San Francisco Views
- The subject is located in an established, in-fill location with a minimal amount of developable land.
- The primary market area is stable

Weaknesses

- Emeryville is considered a secondary location within the Bay Area in terms of office users
- Emeryville does not have direct BART access; however, is serviced by the Emery Go Round which takes passengers to local BART stops via shuttle.
- Direct access to the center is somewhat limited.

Opportunities

- The subject will continue to benefit from the significant rent growth in San Francisco as well as Oakland as tenants are searching for less expensive office space
- The property will benefit significantly from the ongoing residential development in Emeryville.

Threats

- Ne office developments in Oakland may hinder demand at the subject.
- Traffic on the adjacent freeways has been increasing and may continue increasing in the future.

Salt Lake City, UT

Introduction

Market Definition

Salt Lake City is the capital of Utah and anchor city of the Salt Lake City Core Based Statistical Area (CBSA). The metro area is located in northwest Utah and is comprised of Salt Lake and Tooele counties. Summit County, which is located northeast of Salt Lake County, was formerly part of the Salt Lake City CBSA, but was classified as the Summit Park Micropolitan Statistical Area in 2013. According to Experian Marketing Solutions Inc., the population of the Salt Lake City CBSA is estimated to be nearly 1.2 million residents. Salt Lake City is the largest incorporated city in the metro area and largest city in the state of Utah, with an estimated 198,803 residents, accounting for 16.7 percent of the metro area population. The metro area sits along the southern banks of the Great Salt Lake, which is the largest saltwater lake in the Western Hemisphere. The closest metro areas to Salt Lake City are Boise, 339 miles to the northwest, Denver, 518 miles to the east, and Las Vegas, 420 miles to the southwest.

Demographic Trends

Demographic Characteristics

The demographic characteristics of the Salt Lake City CBSA are strong relative to those of the United States. Metro area residents tend to be younger than the population of the nation as a whole, and adults in the region generally attain higher levels of education. The metro area's young and well educated population is supported by the presence of University of Utah's large student population. Furthermore, higher levels of educational attainment compared to the nation, correspond with higher household income. Not only does the metro area's high quality of life and relatively large supply of high wage employment make it an attractive locale for new residents, but Salt Lake City's well educated workforce make it a desirable environment for growing businesses. This is especially true for businesses in sectors that typically demand skilled labor, such as professional services, financial activities, and technology. After several years of robust economic and population growth, the Salt Lake City CBSA's strong demographic characteristics will likely continue to benefit the region going forward by encouraging high wage job growth and business investment.

Population

Population growth trends in the Salt Lake City CBSA consistently exceeded the national population growth rate between 2007 and 2017. After increasing to 1.9 percent in 2007, the highest rate over the last ten years, the metro area's annual population growth rate gradually declined through 2014 before picking up again in 2015. Despite this deceleration, the metro areas population growth rate remained at or above 1.4 percent per year throughout eight of the last ten years. Furthermore, the population growth reached its highest post-recession rate in 2017 at 1.7 percent. Strong population gains and healthy in-migration are what sets Salt Lake City apart from the rest of the country throughout the forecast. The metro area is home to one of the youngest and fastest-growing populations in the country. Population additions are running at about twice the national average. The sources of growth are well diversified, with equally strong gains in births and in-migration. Forecasts provided by Moody's Analytics indicate that the population growth rate in the Salt Lake City CBSA will trend near 1.2 percent and remain stronger than the national population growth rate between 2018 and 2022. Over the long term, the metro area will likely continue to experience relatively strong levels of population growth due to a high quality of life and a variety of high paying employment opportunities.

Further considerations are as follows:

- The population of the Salt Lake City CBSA increased at an average rate of 1.5 percent annually between 2007 and 2017, a difference of 70 basis points, compared to an average population growth rate of 0.8 percent nationally over the same period of time.
- The Salt Lake City CBSA population is expected to increase at an average annual rate of 1.2 percent between 2018 and 2022, while the population of the United States is expected to grow at an average rate of 0.6 percent annually between 2018 and 2022.

The following table details Salt Lake City CBSA's annualized population growth by county:

Annualized Population Growth by County
Salt Lake City CBSA
2007-2022

Population (000's)	2007	2017	Forecast 2018	Forecast 2022	Compound Annual Growth Rate 07-17	Compound Annual Growth Rate 18-22
United States	301,231.2	325,719.2	328,034.9	336,614.5	0.8%	0.6%
Salt Lake City, UT	**1,037.5**	**1,201.8**	**1,217.6**	**1,274.7**	**1.5%**	**1.2%**
Salt Lake County	983.7	1,136.2	1,150.9	1,203.7	1.5%	1.1%
Tooele County	53.8	65.7	66.7	71.0	2.0%	1.6%

Source: Data Courtesy of Moody's Analytics, Cushman & Wakefield Valuation & Advisory

Economic Trends

Employment Distribution

The Salt Lake CBSA employment distribution is relatively diverse, especially given the region's geographic location and smaller population compared to other metro areas in the western United States. The metro area has a relatively well established and diverse private sector, weighted more heavily in the trade, transportation & utilities and professional & business services sectors. The metro area has higher percentages of employment in office-using sectors compared to the nation, which has helped to drive income growth in the metro area over the past ten years. In addition to a larger than average share of office using employment, the metro area has a variety of well-established blue collar sectors. According to the Bureau of Labor Statistics, the CBSA experienced employment growth of 32.4 percent between 2013 and 2017 in the medical equipment manufacturing subsector, due in large part to the University of Utah's well known medical research facilities. The Salt Lake City CBSA employs more people in the construction, trade, transportation & utilities, information, financial activities and professional & business services sector compared to the nation.

Further considerations are as follows:

- Reflective of the areas' nickname, "Crossroads of the West," the largest employment sector in the Salt Lake City CBSA is trade, transportation & utilities, which accounts for 20.0 percent of employment in the metro area. In comparison, trade related industries employ 18.7 percent of workers nationwide.
- The education & health services sector increased at an average annual rate of 3.5 percent between 2007 and 2017, which was the greatest average job growth rate among employment sectors in the metro area over the last ten years. In contrast, the construction sector payrolls decreased at an average annual rate of 1.1 percent between 2007 and 2017, the lowest job growth rate among metro area employment sectors during that period of time.

Employment Growth

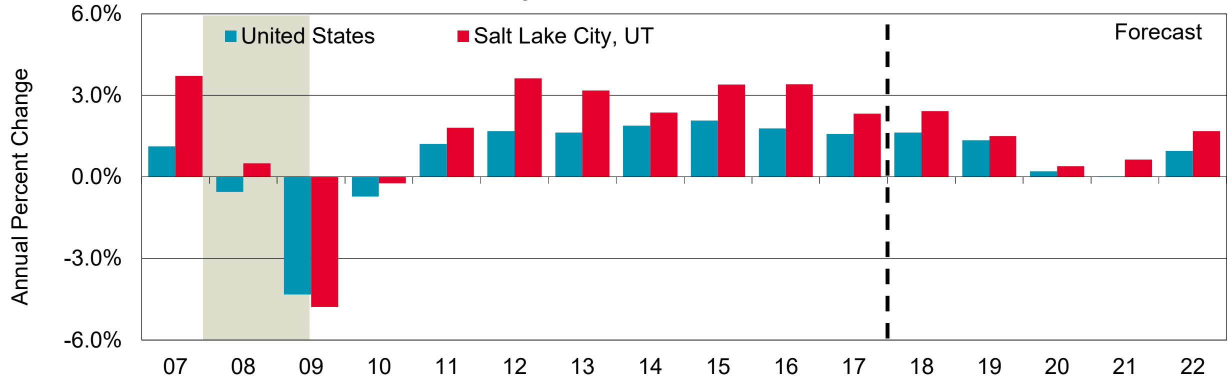
The Salt Lake City CBSA employment growth outpaced the nation and experienced stronger than the average national employment growth rate between 2007 and 2017. By building out such a robust labor force, the Salt Lake City CBSA has set itself up well to continue welcoming new and relocating businesses at above-average rates in the years ahead. It is now the pre-eminent cost-efficient alternative for businesses looking to relocate from costly areas on the Pacific Coast where labor and real estate have become prohibitively expensive. Adobe for example, one of Silicon Valley's founding fathers, moved its headquarters to just south of the city a few years ago. What is more, relocations are coming not only from the West. Goldman Sachs has moved more business to the CBSA, which is now home to nearly 7.0 percent of its global workforce. Another reason that Salt Lake City will remain a favorite for businesses is the stability afforded by its state budget. Utah has been able to maintain such a business-friendly environment versus some of its western rivals in large part because of the lack of drama in its budget practices. The state has been a model of relative stability since the Great Recession, keeping deficits and pension liabilities low, all while steadily growing services and state government employment. As a result, the state has been able to avoid the kind of drastic changes in tax or spending policy that have caused tremendous uncertainty in other states.

Further considerations are as follows:

- From 2007 to 2017, employment growth occurred in the Salt Lake City CBSA, averaging 1.5 percent. Comparatively, national employment growth occurred at 0.6 percent, over the same period of time.
- Employment in the Salt Lake City CBSA is expected to increase an average 1.0 percent per year between 2018 and 2022, which is 40 basis points higher than the U.S. average of 0.6 percent over the same period of time.
- The education & health services, leisure & hospitality and professional & business services sectors are expected to experience the highest levels of employment growth over the next five years, increasing payrolls at average rates of 2.0 percent, 1.6 percent per year and 1.6 percent, respectively.

The following graph illustrates total non-farm employment growth per year, for the Salt Lake City CBSA and the United States:

TOTAL EMPLOYMENT GROWTH BY YEAR
Salt Lake City CBSA vs. United States, 2007-2022



Source: Data Courtesy of Moody's Analytics and Cushman & Wakefield Valuation & Advisory
Note: Shaded bars indicate periods of recession

Conclusion

The Salt Lake City CBSA benefits from a well-educated workforce, strong population growth trends and an advantageous business environment. As a result, the metro area should maintain strong economic growth in the near term and will likely continue to exceed national growth trends over the long term. The city has a high quality of life due to its world famous recreation opportunities and low cost of living, which will continue to attract high skilled employees to the area. The Salt Lake City CBSA will outperform regional and national averages during the next leg of its economic expansion. With an unemployment rate around 3.0 percent, some cooling in the pace of hiring is in order over the very near term, but robust expansion in key knowledge-based industries will keep Salt Lake City near the front of the pack. Longer term, a business-friendly environment and low-cost structure coupled with favorable demographics will ensure the CBSA is one of the top performers in the West and the U.S. The metro area's overall growth prospects remain positive, and the Salt Lake City CBSA should continue to develop as a major commercial center in the western United States over the long term.

Final considerations are as follows:

- Strong population growth trends should provide the metro area with an ample supply of workers to support the expansion of its economy going forward. The Salt Lake City area will likely continue to experience robust population growth due to a high quality of life, low cost of living and sturdy house price appreciation. .
- The continued investment in infrastructure, such as the $2.9 billion redevelopment of the Salt Lake City International Airport expansion, should support growth in the metro area construction sector in the near term. The improvements to the airport coupled with the pro-business environment should continue to attract business to relocate or expand in the CBSA, as shown by the development of the UPS regional hub, BioMerics headquarters and the Amazon fulfillment center near the airport.

Salt Lake City Office Market and Central Business District Office Submarket

Introduction

Reis, Inc. classifies the Salt Lake City Office market into nine submarkets, and segregates inventory by type of space (Class A versus Class B/C). The subject lies within the Central Business District submarket of Salt Lake City.

Submarket Snapshot

The Salt Lake City Office market contains 33,571,000 square feet of space. Central Business District is the largest submarket, comprising 25.3 percent of the area's total inventory. Ogden/Weber County is the smallest submarket with 3.8 percent of total inventory. The subject submarket contains 8,505,000 square feet, or 25.3 percent of the region's inventory.

The following table presents the geographic distribution of inventory, along with other statistical information.

GEOGRAPHIC DISTRIBUTION OF INVENTORY

Submarket	Class	No. of Buildings	Inventory (SF)	% Total	Vacancy Rate (%)	Net Absorption	Asking Rent ($/SF)
Central Business District	A		3,827,000	11.4	13.7	34,000	$28.27
Central Business District	B/C		4,678,000	13.9	18.4	-35,000	$18.05
Central Business District	**A/B/C**	**83**	**8,505,000**	**25.3**	**16.3**	**0**	**$22.65**
Davis County	A		366,000	1.1	37.7	1,000	$24.32
Davis County	B/C		915,000	2.7	17.9	5,000	$15.74
Davis County	**A/B/C**	**40**	**1,281,000**	**3.8**	**23.6**	**5,000**	**$18.17**
Midvale/Murray	A		3,891,000	11.6	21.1	25,000	$24.47
Midvale/Murray	B/C		1,884,000	5.6	10.4	-23,000	$16.77
Midvale/Murray	**A/B/C**	**114**	**5,775,000**	**17.2**	**17.6**	**0**	**$21.93**
Millcreek	A		1,017,000	3.0	13.0	0	$22.95
Millcreek	B/C		1,727,000	5.1	20.3	16,000	$15.99
Millcreek	**A/B/C**	**54**	**2,744,000**	**8.2**	**17.6**	**16,000**	**$18.57**
Ogden/Weber County	---		0	0.0	0.0	0	$0.00
Ogden/Weber County	-/-		0	0.0	0.0	0	$0.00
Ogden/Weber County	**A/B/C**	**50**	**1,380,000**	**4.1**	**24.1**	**5,000**	**$13.26**
Periphery	A		1,118,000	3.3	27.8	-12,000	$24.88
Periphery	B/C		2,431,000	7.2	16.1	22,000	$17.06
Periphery	**A/B/C**	**65**	**3,549,000**	**10.6**	**19.8**	**10,000**	**$19.52**
South Salt Lake City	A		757,000	2.3	7.0	-3,000	$22.86
South Salt Lake City	B/C		862,000	2.6	8.5	-1,000	$14.21
South Salt Lake City	**A/B/C**	**45**	**1,619,000**	**4.8**	**7.8**	**-5,000**	**$18.25**
Southeast Valley	A		4,292,000	12.8	15.2	14,000	$22.41
Southeast Valley	B/C		1,408,000	4.2	9.5	-2,000	$19.09
Southeast Valley	**A/B/C**	**88**	**5,700,000**	**17.0**	**13.8**	**11,000**	**$21.59**
West/Northwest	A		1,090,000	3.2	11.4	4,000	$20.33
West/Northwest	B/C		1,928,000	5.7	23.2	-9,000	$14.51
West/Northwest	**A/B/C**	**63**	**3,018,000**	**9.0**	**19.0**	**-6,000**	**$16.63**
Total A	A		16,358,000	48.7	17.1	81,000	$24.18
Total B/C	B/C		15,833,000	47.2	16.9	-39,000	$16.55
Total/Average	**A/B/C**	**602**	**33,571,000**	**100.0**	**17.0**	**42,000**	**$20.37**

Source:

As of third quarter 2018, the overall vacancy rate for the market is 17.0 percent. The subject's Central Business District submarket has a vacancy rate of 16.3 percent.

The average asking rental rate for all types of space within the market is $20.37 per square foot. The subject's Central Business District submarket has an average asking rental rate of $22.65 per square foot.

Class A buildings constitute 48.7 percent of existing inventory and are exhibiting a higher vacancy rate (17.1 percent) than Class B/C buildings (16.9 percent) and higher average asking rents of $24.18 versus $16.55 per square foot.

Supply

Inventory and Construction Completions

Between 2013 and 2017 a total of 2,871,000 square feet of space was completed or an average of 574,200 square feet per year. No new space was completed as of third quarter 2018. Over the next five years, Reis projects that an additional 859,000 square feet will completed the Salt Lake City market.

Within the subject submarket, a total of 584,000 square feet of space was completed between 2013 and 2017. Over the next five years, Reis projects that an additional 107,000 square feet of new space will be completed within the Central Business District submarket.

The following table presents historical inventory and projected completions for the region and subject submarket.

HISTORICAL AND PROJECTED INVENTORY & COMPLETIONS (SF)

	Salt Lake City					Central Business District					
Year	Class A	Completions	Class B/C	Completions	Total Completions	Class A	Completions	Class B/C	Completions	Total Completions	% of Region
2013	14,956,000	467,000	16,393,000	102,000	569,000	3,683,000	0	4,238,000	0	0	0.0%
2014	15,281,000	325,000	16,393,000	0	325,000	3,827,000	144,000	4,238,000	0	144,000	44.3%
2015	15,986,000	705,000	16,364,000	0	705,000	3,827,000	0	4,238,000	0	0	0.0%
2016	16,342,000	356,000	16,753,000	440,000	796,000	3,827,000	0	4,678,000	440,000	440,000	55.3%
2017	16,818,000	476,000	16,753,000	0	476,000	3,827,000	0	4,678,000	0	0	0.0%
3Q18	16,818,000	0	16,753,000	0	0	3,827,000	0	4,678,000	0	0	0.0%
2018	---	---	---	---	0	---	---	---	---	0	0.0%
2019	---	---	---	---	100,000	---	---	---	---	0	0.0%
2020	---	---	---	---	201,000	---	---	---	---	29,000	14.4%
2021	---	---	---	---	269,000	---	---	---	---	38,000	14.1%
2022	---	---	---	---	289,000	---	---	---	---	40,000	13.8%
2013-2017											
Total Completions		**2,329,000**		**542,000**	**2,871,000**		**144,000**		**440,000**	**584,000**	
Annual Average		**465,800**		**108,400**	**574,200**		**28,800**		**88,000**	**116,800**	**20.3%**

Source: Reis, Inc.

Demand

Vacancy Rates

As shown in the following chart, vacancy rates decreased from 17.5 in 2013 to 16.6 percent in 2017. For third quarter 2018 the vacancy rate stands at 17.0 percent. Over the near term, Reis projects a rise in vacancy levels for Salt Lake City, with vacancy ranging from 16.9 to in 2018 to 18.5 percent in 2022.

Between 2013 and 2017, vacancy rates decreased from 18.7 to 16.0 percent. The current vacancy rate for the submarket is 16.3 percent. Over the near term, Reis is projecting a rise in vacancy for the Central Business District submarket, with vacancy levels ranging from 16.2 percent in 2018 to 17.1 percent in 2022.

The following table presents historical and projected vacancy rates for the region and subject submarket.

HISTORICAL AND PROJECTED VACANCY RATES (%)

	Salt Lake City			Central Business District		
Year	Class A	Class B/C	Total	Class A	Class B/C	Total
2013	16.8	18.1	17.5	18.9	18.5	18.7
2014	16.1	18.0	17.1	17.2	17.9	17.6
2015	16.7	16.2	16.4	16.0	17.2	16.6
2016	15.7	15.7	15.7	15.2	17.4	16.4
2017	16.7	16.5	16.6	13.7	17.9	16.0
3Q18	17.1	16.9	17.0	13.7	18.4	16.3
2018	---	---	16.9	---	---	16.2
2019	---	---	17.2	---	---	16.3
2020	---	---	17.4	---	---	16.5
2021	---	---	17.9	---	---	16.9
2022	---	---	18.5	---	---	17.1

Source: Reis, Inc.
Note: Reis does not differentiate between space that is available directly from the landlord or as a sublease. Any space that is available immediately for leasing (i.e. within 30 days) is considered vacant by Reis' standards.

As shown, Class A buildings within the region are exhibiting a higher vacancy rate (17.1 percent) than Class B/C buildings (16.9 percent). Within the subject submarket, Class A buildings are exhibiting lower vacancies than Class B/C buildings (13.7 percent versus 18.4 percent).

Absorption Trends

Absorption measures change in the level of occupied space in a geographic region over a specific period of time. Absorption is not a measure of leasing activity. It reflects increasing, stable or decreasing demand for space. If the level of occupied space increases from one period to the next, demand has increased. If no change has occurred, demand is stable. If the level of occupied space is lower, demand has decreased. All things being equal, positive absorption lowers vacancy rates and negative absorption increases vacancy rates. A newly constructed building that enters the marketplace vacant will adversely affect the vacancy rate but have no bearing on absorption since it has not altered the level of occupancy.

Over the past few years, new construction activity within the Salt Lake City region has exceeded absorption. As shown in the following table, an annual average of 574,200 square feet of space was completed in the region between 2013 and 2017, while 515,800 square feet was absorbed. Over the next five years, Reis projects that construction will exceed absorption with new construction totaling 859,000 square feet, and absorption totaling 56,000 square feet.

Between 2013 and 2017, new construction within the Central Business District submarket trailed absorption, with an annual average of 116,800 square feet completed and 139,200 square feet absorbed. Over the next five years, Reis projects that new construction will surpass absorption (new construction will total 107,000 square feet, and -5,000 square feet is expected to be absorbed).

The following table presents historical and projected absorption levels and completions for the region and the subject submarket.

HISTORIC AND PROJECTED NET ABSORPTION (SF)								
	Salt Lake City				Central Business District			
Year	Class A	Class B/C	Total Absorption	Total Completions	Class A	Class B/C	Total Absorption	Total Completions
2013	442,000	-4,000	439,000	569,000	-8,000	-1,000	-8,000	0
2014	380,000	15,000	394,000	325,000	182,000	25,000	206,000	144,000
2015	495,000	277,000	772,000	705,000	48,000	32,000	80,000	0
2016	464,000	408,000	871,000	796,000	30,000	355,000	384,000	440,000
2017	240,000	-138,000	103,000	476,000	57,000	-24,000	34,000	0
3Q18	81,000	-39,000	36,000	0	34,000	-35,000	0	0
2018	---	---	-117,000	0	---	---	-19,000	0
2019	---	---	0	100,000	---	---	-4,000	0
2020	---	---	74,000	201,000	---	---	4,000	29,000
2021	---	---	73,000	269,000	---	---	3,000	38,000
2022	---	---	26,000	289,000	---	---	11,000	40,000
2013-2017 Total Absorption	**2,021,000**	**558,000**	**2,579,000**	**2,871,000**	**309,000**	**387,000**	**696,000**	**584,000**
Annual Average	**404,200**	**111,600**	**515,800**	**574,200**	**61,800**	**77,400**	**139,200**	**116,800**

Source: Reis, Inc.

Rental Rate Trends

As shown in the following chart, average asking rents in the Salt Lake City region have jumped from $18.55 per square foot in 2013 to $20.17 per square in 2017, indicating a compound annual growth rate (CAGR) of 2.1 percent. In the next five years, average asking rents are expected to increase from $20.46 per square foot in 2018 to $21.95 per square foot in 2022. Currently the average asking rent stands at $20.37 per square foot.

Average asking rental rates in the Central Business District submarket increased from an average of $20.70 per square foot in 2013 to $22.31 per square foot in 2017, demonstrating a CAGR of 1.9 percent. Over the next five years, average asking rents are expected to increase from $22.75 per square foot in 2018 to $24.96 per square foot in 2022. The current average asking rent stands at $22.65 per square foot.

The following table presents historical and projected average asking rental rates for the region and subject submarket.

Historical and Projected Average Asking Rental Rates ($/SF)										
	Salt Lake City					Central Business District				
Year	Class A	Class B/C	Total	% Change	Effective Rent	Class A	Class B/C	Total	% Change	Effective Rent
2013	$22.22	$15.21	$18.55	1.1	$14.48	$25.67	$16.39	$20.70	0.5	$15.94
2014	$22.53	$15.26	$18.77	1.2	$14.65	$25.78	$16.10	$20.69	0.0	$15.96
2015	$22.92	$15.61	$19.22	2.4	$15.01	$26.62	$16.63	$21.37	3.3	$16.50
2016	$23.19	$15.88	$19.49	1.4	$15.26	$27.06	$16.89	$21.47	0.5	$16.63
2017	$23.95	$16.37	$20.17	3.5	$15.79	$27.94	$17.71	$22.31	3.9	$17.29
3Q18	$24.18	$16.55	$20.37	0.3	$15.95	$28.27	$18.05	$22.65	0.8	$17.56
2018	---	---	$20.46	1.4	$16.01	---	---	$22.75	2.0	$17.62
2019	---	---	$20.82	1.8	$16.29	---	---	$23.30	2.4	$18.09
2020	---	---	$21.18	1.7	$16.62	---	---	$23.85	2.4	$18.67
2021	---	---	$21.58	1.9	$17.00	---	---	$24.44	2.5	$19.35
2022	---	---	$21.95	1.7	$17.34	---	---	$24.96	2.1	$19.98
2013-2017 CAGR	**1.89%**	**1.85%**	**2.12%**			**2.14%**	**1.96%**	**1.89%**		

Source: Reis, Inc.
Notes: CAGR stands for Compound Annual Growth Rate. Asking rents cited by Reis reflect the advertised rental rates for actively marketed space. Effective rents net of any rental concessions, expressed over the life of the lease term. Reis quotes Office rents on a Gross basis.

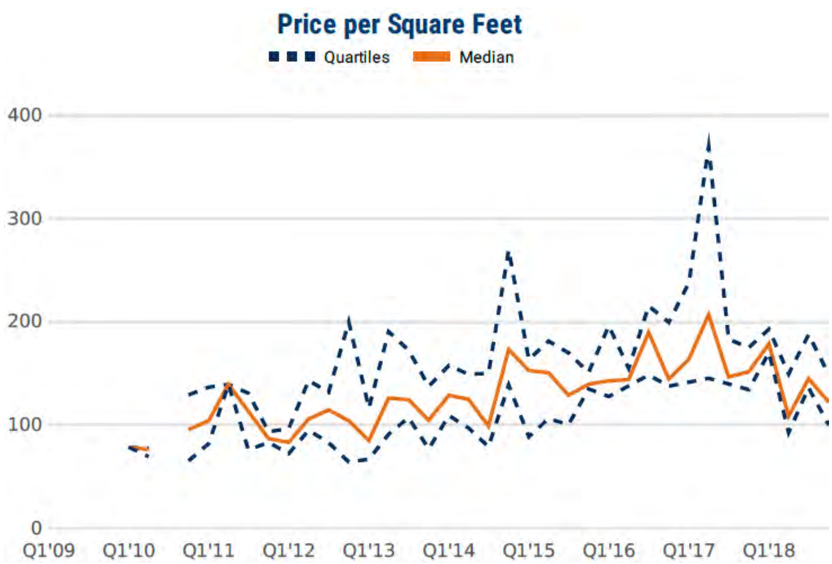
As shown, Class A buildings within the region are exhibiting higher average asking rents ($24.18 per square foot) than Class B/C buildings ($16.55 per square foot). Within the subject submarket, Class A buildings have higher average asking rents than Class B/C buildings ($28.27 per square foot versus $18.05 per square foot).

Salt Lake City Office Conclusion

Vacancy levels for the Salt Lake City Office market have decreased since 2013 and are expected to rise from 16.9 percent next year to 18.5 percent in 2022. Over the near term, new construction activity should exceed absorption, and average asking rates are forecasted to range from $20.46 per square foot at the end of next year to $21.95 per square foot in 2022.

Salt Lake City Office Investment Sales Market

According to Real Capital Analytics, 29 office sale transactions closed in the 12 months ending December 2018, with a total volume of $325 million, averaging a price of approximately $184 per square foot. The 29 buildings total 1.89 million square feet. Capitalization rates were not reported by RCA. As shown in the following graphic, prices have generally trended upward since late 2013 and have consistently fallen below the benchmark (United States) averages.



Source: *Real Capital Analytics*

Subject – 222 Main

Location and Description

222 Main is located at 222 South Main Street, Salt Lake City, Salt Lake County, UT. The property is situated in the Salt Lake City CBD office submarket of the Salt Lake City Office Market.

The subject consists of a 22-story multi-tenant office building that contains 426,657 square feet of rentable area situated on a 1.63-acre, or 71,003 square foot, site. The improvements were completed in 2009 and are in excellent condition. The property is currently 97.31 percent occupied by 35 tenants at an average contract rent of $36.15 per square foot.

The largest tenants at the subject property is Goldman Sachs (177,206 square feet), Holland & Hart (89,960 square feet) and Perfectly Posh (43,835 square feet). The Goldman Sachs lease expires in May 2025, Holland & Hart expires in December 2027 and Perfectly Posh expires in April 2023.

Transportation and Connectivity

Local area accessibility is good. The local area has accessibility from I-15 (north/south) and I-80 (east/west). The subject has good access to surrounding secondary streets. Also, bus routes and light rail transportation access can be found in the local area. The central Salt Lake City TRAX and FrontRunner station is located five blocks to the west of the subject near 600 West and 300 South. The nearest TRAX line station (Gallivan Station) is located on Main Street adjacent to the subject.

Regional:	Interstate 80 serves as the major east/west highway to the region and links the downtown Salt Lake City area with the Salt Lake International Airport to the west approximately five miles. Interstate 15 is the major north/south highway along the Wasatch Front area. Both of these interstates also connect to numerous highways in the region, making the subject very accessible.
Local	Local arterial roadways which provide access to the subject include State Street, 200 South and 300 South.

The local market area is adequately served by secondary roads sufficient to support commercial activity. Local area ingress and egress is considered typical for the downtown area.

Competitive Market Survey – Micro Market

In order to gain a better understanding of the market conditions specific to the subject, we conducted a survey of those buildings that would be considered most competitive to the subject.

Micro Market Snapshot

We have identified office buildings with the following characteristics as being directly competitive with the subject.

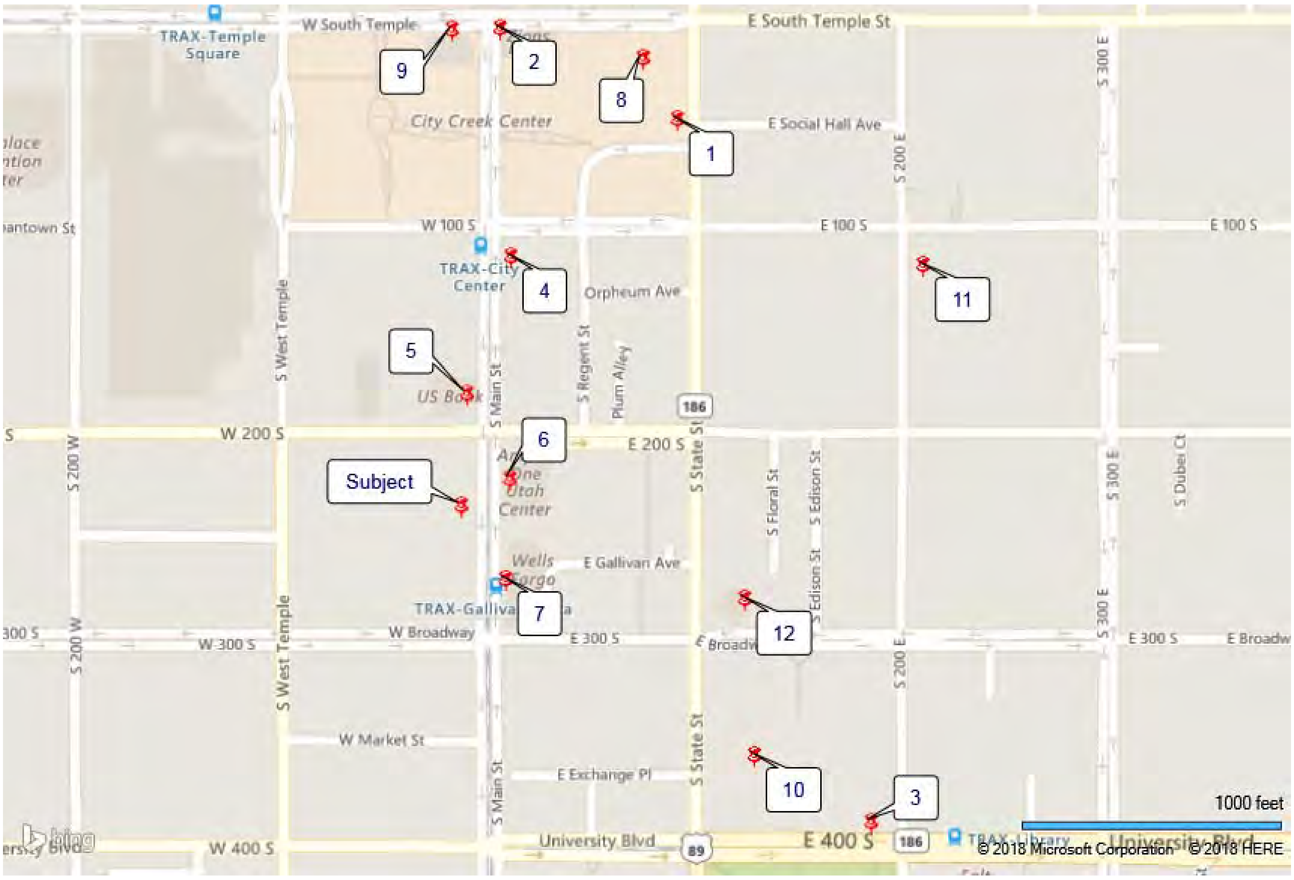
- Class A product
- Salt Lake City CBD location

The following table contains the results of a CoStar Group and Cushman & Wakefield survey of existing competitive properties. These buildings are most competitive with the subject and most similar in terms of location, physical attributes, and access to amenities:

COMPETITIVE MICRO MARKET											
No.	Name	Address	Parking Ratio	Year Built	Stories	RBA (SF)	Direct Vacant SF	% Leased	Ask Rate/SF	Expenses	FS Equivalent
S	**222 Main**	**222 South Main Street**	**1.97**	**2009**	**21**	**426,711**	**12,602**	**97.0**	**$38.00**	**Full Service Gross**	**$38.00**
1	Key Bank Tower	36 S State St	4.65	1976	26	369,312	0	100.0	$32.00	Full Service Gross	**$32.00**
2	Zions Bank Building	1 S Main St	0.37	1965	18	322,008	0	100.0	$32.00	Full Service Gross	**$32.00**
3	City Centre I	175 E 400 S	3.27	1986	10	229,600	8,605	96.3	$23.00	Full Service Gross	**$23.00**
4	111 Main Office Tower	111 S Main St	2.00	2016	24	439,611	11,888	97.3	$36.52	Full Service Gross	**$36.52**
5	US Bank	170 S Main St	3.00	1984	15	255,255	27,239	82.8	$27.59	Full Service Gross	**$27.59**
6	One Utah Center	201 S Main St	2.50	1991	24	427,371	9,070	97.9	$28.00	Full Service Gross	**$28.00**
7	Wells Fargo Center	299 S Main St	3.00	1998	24	592,658	121,293	79.7	$32.85	Full Service Gross	**$32.85**
8	The World Trade Center	60 E South Temple	0.57	1986	22	364,745	14,301	96.1	$31.69	Full Service Gross	**$31.69**
9	Gateway Tower West	15 W South Temple	1.08	1998	19	278,501	36,141	87.0	$30.81	Full Service Gross	**$30.81**
10	101 Tower	101 S 200 E	3.00	2014	7	147,924	0	100.0	$32.00	Full Service Gross	**$32.00**
11	Questar	333 S State St	0.00	2012	6	169,998	0	100.0	$31.00	Full Service Gross	**$31.00**
12	Broadway Centre	111 E Broadway	0.00	1991	14	240,529	79,017	67.2	$31.00	Full Service Gross	**$31.00**
OVERALL STATISTICS INCLUDING SUBJECT											
Low:			0.00	1965	6	147,924	0	67.2	$23.00		$23.00
High:			4.65	2016	26	592,658	121,293	100.0	$38.00		$38.00
Average/Total:			**1.95**	**1994**	**18**	**328,017**	**24,627**	**92.1**	**$31.27**		**$31.27**

FS- 'Full Service Gross'
Source: CoStar Goup, Inc. and Cushman & Wakefield of Colorado, Inc.

COMPETITION MAP



We surveyed 13 competitive office buildings within the submarket, including the subject, containing approximately 4.3 million square feet. The average vacancy is approximately 7.6 percent, which is well below the city-wide average of 17.0 percent.

Average asking rates for competitive office space range from $23.00 to $38.00 per square foot, with an average of $31.27 per square foot on an equivalent full service (FS) rental basis. The asking rates for the subset that is directly competitive with subject range from $27.00-$32.00. A "full service" lease structure is defined by market participants as tenants responsible for any increases in operating expenses over base year occupancy including real estate taxes, insurance, common area maintenance and utilities. Lease rates include a tenant improvement package ranging from $4.00 to $8.00 per square foot per year of the lease term for new leases, and none (As Is) to $3.00 per square foot per year of the lease term for renewal leases. Lease terms typically reflect annual escalations 2.5 to 3.0 percent for full service leases. The range in average asking rental rates is primarily based on the property location, the quality and amount of tenant build-out, and other property characteristics.

The subject falls toward the upper end of this set in terms of access to amenities, overall quality/condition, and parking facilities. Accordingly, it commands rents in line with those assumptions.

Subject's Competitive Market Position

The subject is considered a Class A office complex by market participants based on its quality, condition and tenancy. The subject benefits from being located within a well-established submarket centrally located within Salt Lake County, proximate to primary demand generators and local area amenities. In addition, the subject is located within the Salt Lake City CBD, which has a significant household base that supports professional and financial services and healthcare-related office tenancy. The subject also benefits from being located near major thoroughfares and public transportation with good accessibility from surrounding markets. The subject's immediate market reflects a competitive supply of available office space with stable rental rates. The subject offers adequate amenities that are attractive to prospective tenants as evidenced by its current tenancy. Thus, based on the subject's locational characteristics, project quality and current tenancy, the subject has a good competitive position in comparison to other comparable buildings within the immediate market.

Micro Market Outlook and Conclusions

The subject micro market reflects the highest-tier, Class A office buildings within the Salt Lake City CBD. Due to their location, access, amenities, quality and condition, they will likely continue to demand the highest rental rates in the Salt Lake County market. As the CBD is entirely built-out, new competition coming on-line will likely require an assemblage and redevelopment of improved parcels, extending the planning and development process. We anticipate the Salt Lake City CBD will continue to experience rent growth as existing and new, out-of-state business and employers expand in Utah.

With regards to Goldman Sachs, they also occupy space at 111 Main. In addition to the space they already occupy, they hold options on several floors at 111, which could allow them to consolidate into the 111 Main building. This is a speculative future consideration given the May 2025 Goldman Sachs expiration date at the subject.

SWOT ANALYSIS

Strengths

- The subject is generally considered one of the few, institutional-grade, Class A office buildings in the Utah office market. During the initial lease up phase, the building attracted tenants to the Utah office market that were not previously present;
- The building has an excellent location within the Salt Lake City CBD, on Main Street;
- The building's largest tenant is institutional grade quality.

Weaknesses

- New, Class A office buildings are entering the market, that represent direct competition for the subject;
- Utah is a relatively small office market. Given the quality and relatively high asking lease rate, the pool of potential tenants within the local market is lower relative to other office buildings within the CBD office market.

Opportunities

- Utah is generally business friendly and new businesses are moving to the market due to the economic growth and favorable environment;
- The vacancy rate for competitive Class A office buildings in the CBD is below ten percent, despite the recent addition several new office buildings in the market;
- The Salt Lake City CBD economy is vibrant and highly amenitized with a regional shopping mall (City Creek), tourist attractions (Temple Square), a professional basketball team (Utah Jazz) and public transportation (TRAX light rail).

Threats

- The additional of other Class A office buildings in the Salt Lake City CBD;
- The continued expansion and development of Class A office buildings in the suburban areas surrounding Salt Lake City.

Denver, Colorado

Introduction

Market Definition

The Denver-Aurora-Broomfield Core Base Statistical Area (Denver CBSA) consists of 10 counties situated at the eastern base of the Rocky Mountain range in central Colorado. The city of Denver is the capital and the largest city in Colorado, founded in the late 1850's when gold was discovered at the confluence of Cherry Creek and South Platte River, at what is now known as Commons Park. The city of Denver is nicknamed the Mile-High City because its official elevation is exactly one mile, or 5,280 feet, above sea level. According to Experian Marketing Solutions, Inc., the population of the Denver CBSA was estimated to be slightly over 2.9 million residents in 2017, making it the 19th largest metro area in the United States.

Demographic Trends

Demographic Characteristics

The demographic characteristics of the Denver CBSA outperform those of the United States. Compared to the nation, the metro area's slightly younger population also tends to achieve higher levels of educational attainment and subsequently earns higher median incomes. Although the Denver CBSA's living costs are rated 10.0 percent higher than the national average, residents will likely remain attracted to the metro area's high quality of life and variety of high-wage, skilled labor jobs. The metro area's comparatively higher educated workforce and moderate business costs relative to the nation should help it attract employers, supporting job growth over the long term. Denver's central location in the western United States, the presence of large research universities, and its attractive demographic characteristics should also help the metro area attract new businesses, which will contribute to stable growth in the near future and over the long term.

Population

According to Experian marketing Solutions, Inc., the population of the Denver CBSA was estimated to be nearly 2.9 million residents, making it the largest metropolitan area in Colorado and the 19th largest metro area in the United States. Population growth trends in the Denver CBSA consistently exceeded the national population growth rate between 2007 and 2017. Population growth is showing signs of strain with net migration dropping by half since 2015. Although, despite forecasts for a near-term slowdown in the population growth rate, the metro area population is anticipated to outpace national expansion during the next five years. Looking forward, strong demographic trends, a high quality of life, and a favorable concentration of high-wage industries should support above-average population growth in the Denver CBSA over the long term.

Additional considerations regarding population trends in the Denver CBSA are as follows:

- The population of the Denver CBSA expanded at an average rate of 1.8 percent annually between 2007 and 2017, which is an estimated 1.0 percentage points greater than the average annual growth rate of 0.8 percent recorded across the nation during the same period of time.
- The Denver CBSA's population expansion is forecast to decelerate through the near term, slowing to an average annual expansion rate of 1.2 percent through 2022. Between 2018 and 2022, the Denver population's growth rate is expected to trend 60 basis points above that of the nation, due largely to its high quality of life, relative affordability and concentration of high-wage employment opportunities.

The following table details Denver CBSA's annualized population growth by county:

Annualized Population Growth by County Denver CBSA 2007-2022						
Population (000's)	2007	2017	Forecast 2018	Forecast 2022	Compound Annual Growth Rate 07-17	Compound Annual Growth Rate 18-22
United States	301,231.2	325,719.2	328,034.9	336,614.5	0.8%	0.6%
Denver, CO	**2,418.7**	**2,888.2**	**2,925.7**	**3,065.6**	**1.8%**	**1.2%**
Adams County	415.7	503.2	509.9	534.9	1.9%	1.2%
Arapahoe County	542.0	643.1	650.6	677.0	1.7%	1.0%
Broomfield County	51.5	68.3	69.8	76.1	2.9%	2.2%
Clear Creek County	9.2	9.6	9.6	9.9	0.5%	0.7%
Denver County	564.4	704.6	716.6	760.5	2.2%	1.5%
Douglas County	267.2	335.3	341.0	363.6	2.3%	1.6%
Elbert County	22.4	25.6	25.9	27.3	1.4%	1.3%
Gilpin County	4.9	6.0	6.1	6.4	2.1%	1.2%
Jefferson County	524.9	574.6	578.1	590.8	0.9%	0.5%
Park County	16.4	17.9	18.1	19.2	0.9%	1.5%

Source: Data Courtesy of Moody's Analytics, Cushman & Wakefield Valuation & Advisory

Economic Trends

Employment Distribution

The Denver CBSA's employment base is relatively diverse, and the metro area is the major service and logistics hub of the Rocky Mountain region. The trade, transportation & utilities and professional & business services sectors employ the highest percentages of workers in the Denver CBSA, and the government and education & health services sectors also account for large shares of employment in the metro area. Denver's diverse economy features greater percentages of employment in the information and financial activities sectors when compared to the nation. The CBSA ranked fifth in telecommunication employment concentration among the top 50 largest metro areas, with 42,400 employees, according to the Denver Metro Economic Development Corporation in 2017.

With its diverse tech scene, highly educated population, and lower business costs than Silicon Valley, the Denver CBSA's high-tech economy will be central to future job and income growth. The CBSA's tech sector spans both services and manufacturing, with fast-growing services firms such as SendGrid, and manufacturing heavyweights including semiconductor and computer systems supplier Arrow Electronics. Information has also become a major source of job creation as the industry has evolved from relying mainly on telecommunications giant Charter to embrace the more dynamic data processing and hosting industry. Denver's ability to draw skilled transplants from across the U.S. has been a major boon in recent years, but an increasingly limited pool of unattached tech workers will increasingly drag on job growth. Such shortages are unlikely to deter investment by potential employers, however, as tech hubs across the U.S. face similar constraints.

Further considerations are as follows:

- The three largest employment sectors in the Denver CBSA are the trade, transportation & utilities, professional & business services and government sectors, which hold an aggregate 49.3 percent share of total nonfarm employment.

- Employment in the natural resources & mining sector represents the smallest portion of the labor force at 0.6 percent. The sector grew at an average annual rate of 0.7 percent between 2007 and 2017. However, this sector also experienced the greatest negative growth over the last three years, decreasing 29.8 percent between 2015 and 2017, due in large part to the decrease in oil prices.
- The construction sector is expected to lead the metropolitan area in growth through 2022 at 2.2 percent. This sector has outperformed all other industries over the last three years, however, growth is anticipated to slow to a more stable pace in the near term.

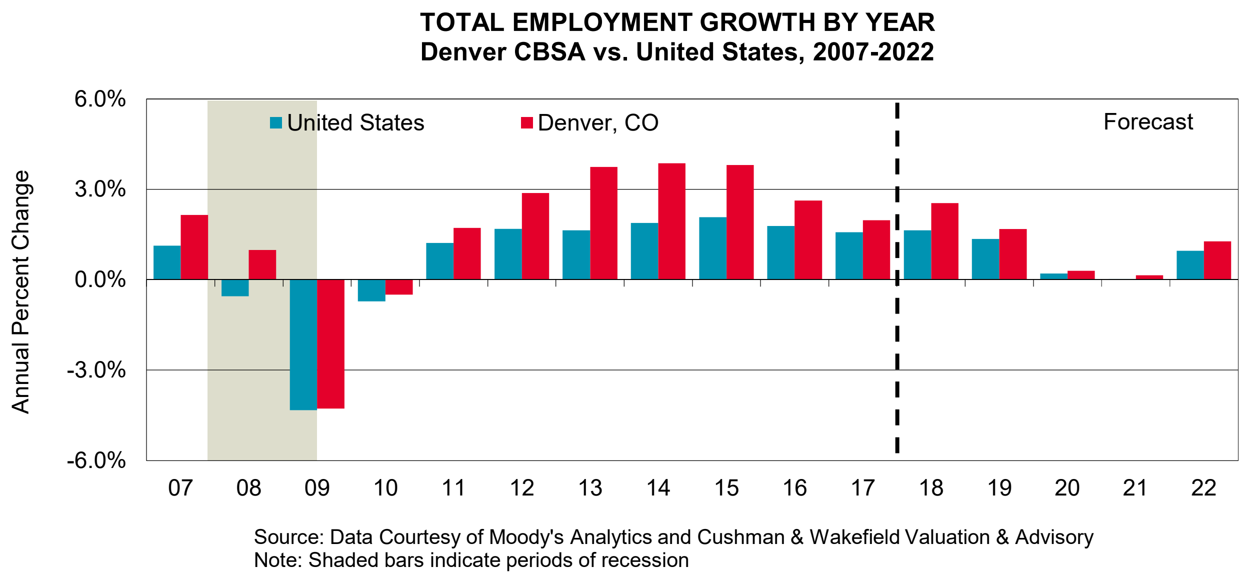
Employment Growth

The Denver CBSA's nonfarm employment growth has rapidly expanded over the past decade, fueled by significant population expansion and its talented labor pool. From 2007 through 2017, the Denver CBSA's total nonfarm payroll employment expanded at the average annual rate of 1.7 percent, 1.1 percentage point faster than national nonfarm employment growth over the same period. Labor shortages will impede near-term job growth but will intensify upward pressure on wages. Denver's rapidly growing workforce has pulled marginally attached workers off the sidelines, but the pool of potential labor is limited, especially considering the drop-off in net migration. Competition for skilled labor is heating up in industries ranging from construction to healthcare and tech, and firms will be forced to hike wages to attract workers. This will more than make up for the impact of fewer net new jobs on personal income growth. Tight labor supply will also encourage employers to invest in training, which will improve worker productivity. While the CBSA's structural advantages of strong population growth and impressive demographics will support diverse hiring and an increase in high-wage opportunities, the CBSA may struggle to sustain its rapid expansion due to a lack of skilled or qualified workers for certain positions.

Additional considerations regarding employment growth in the Denver CBSA are as follows:

- The Denver CBSA experienced employment growth of 1.7 percent over the past ten years from 2007 to 2017. Comparatively, employment growth totaled 0.6 percent for the nation over the same period of time.
- Total nonfarm employment in the Denver CBSA is expected to increase an average of 0.8 percent per year between 2018 and 2022, which will outpace the forecasted national growth rate of 0.6 percent over the same time period.

The following graph illustrates total non-farm employment growth per year for the Denver CBSA and the U.S.:



Conclusion

The Denver CBSA has attracted new residents and added jobs at a faster rate than the nation over the last several years. In addition to having a variety of well-established industries such as the aerospace and telecommunication industries, the metro area is an attractive location for expanding businesses due to its well-educated workforce and relatively low business costs. The cost of living is only slightly higher than the national average at 110 percent, and the combination of low taxes, reasonable transportation costs and low utility prices help businesses and households effectively generate more income, improving both the bottom line and quality of life. Job growth in the Denver CBSA will slow as labor force constraints become more acute. The tight labor market will spur faster income growth, however, and support robust consumer spending. Longer term, Denver's exceptionally strong demographics, skilled workforce, and broad range of high value-added industries will secure the area's position as a national front-runner.

Further considerations are as follows:

- Strong population growth trends should provide the metro area with an ample supply of workers to support the expansion of its economy going forward. Although living costs are above the national average, the Denver area will likely continue to experience robust population growth due to a high quality of life and above average wages. An improving housing market and investment in infrastructure, like the $7.4 billion FasTracks public transit expansion should support growth in the metro area, especially in the construction sector in the near term.
- After layoffs and bankruptcies in the oil and gas industry over the last three years, the increasing oil prices should support a stabilization to the energy sector for Denver in the near term. Despite recent losses in the energy sector, strong gains in the aerospace and telecommunication industries should allow the metro area to maintain above average rates of employment and earnings growth over the long term.

Denver Office Market and Southeast Suburban Office Submarket

Introduction

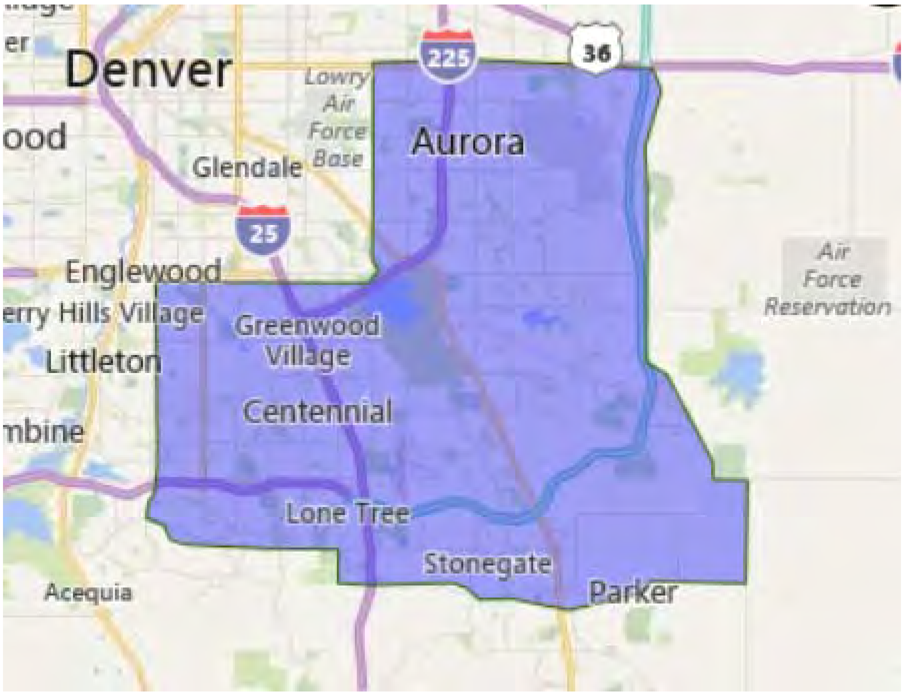
Reis, Inc. classifies the Denver Office market into eight submarkets, and segregates inventory by type of space (Class A versus Class B/C). The subject lies within the Southeast Suburban submarket of Denver.

Submarket Snapshot

The Denver Office market contains 94,563,000 square feet of space. Southeast Suburban is the largest submarket, comprising 33.0 percent of the area's total inventory. Northeast is the smallest submarket with 2.3 percent of total inventory. The subject submarket contains 31,179,000 square feet, or 33.0 percent of the region's inventory.

The subject lies within the Southeast Suburban submarket of Denver. The subject submarket contains 30,767,000 square feet, or 33.0 percent of the region's inventory. The subject's submarket basically entails the southeast corridor of Interstate 25, the northwest quadrant of Interstate 70 and Interstate 225, the east sector along the E-470 Tollway, South Broadway to the west, and the Parker town limits to the south. The major concentrations of office space is along the Interstate 25 corridor between Interstate 225 to the north and Lincoln Avenue to the south. The Park Meadows Mall, an upscale 1.6 million square foot enclosed super-regional mall with an open-air shopping village is also in proximity to the subject.

SOUTHEAST SUBMARKET



The following table presents the geographic distribution of inventory, along with other statistical information.

GEOGRAPHIC DISTRIBUTION OF INVENTORY

Submarket	Class	No. of Buildings	Inventory (SF)	% Total	Vacancy Rate (%)	Net Absorption	Asking Rent ($/SF)
Central Business District	A		19,317,000	20.4	12.9	679,000	$34.60
Central Business District	B/C		8,712,000	9.2	17.7	-145,000	$29.71
Central Business District	**A/B/C**	**137**	**28,029,000**	**29.6**	**14.4**	**534,000**	**$33.08**
Midtown	---		0	0.0	0.0	0	$0.00
Midtown	B/C		2,796,000	3.0	14.8	-14,000	$21.57
Midtown	**A/B/C**	**82**	**4,240,000**	**4.5**	**17.1**	**-8,000**	**$23.58**
Northeast	A		1,024,000	1.1	16.9	2,000	$21.24
Northeast	B/C		1,180,000	1.2	32.8	-4,000	$17.05
Northeast	**A/B/C**	**46**	**2,204,000**	**2.3**	**25.4**	**-2,000**	**$18.99**
Northwest	A		3,322,000	3.5	18.3	54,000	$24.82
Northwest	B/C		4,423,000	4.7	21.5	-8,000	$19.13
Northwest	**A/B/C**	**121**	**7,745,000**	**8.2**	**20.1**	**46,000**	**$21.56**
Southeast	A		4,587,000	4.9	16.4	-26,000	$24.48
Southeast	B/C		5,710,000	6.0	17.3	36,000	$18.99
Southeast	**A/B/C**	**150**	**10,297,000**	**10.9**	**16.9**	**10,000**	**$21.47**
Southeast Suburban	A		16,782,000	17.7	17.0	27,000	$27.47
Southeast Suburban	B/C		14,397,000	15.2	21.6	-50,000	$20.54
Southeast Suburban	**A/B/C**	**344**	**31,179,000**	**33.0**	**19.1**	**-22,000**	**$24.29**
Southwest	A		1,407,000	1.5	9.7	-1,000	$24.24
Southwest	B/C		3,296,000	3.5	16.4	6,000	$17.88
Southwest	**A/B/C**	**111**	**4,703,000**	**5.0**	**14.4**	**5,000**	**$19.78**
West Central	A		1,793,000	1.9	18.0	72,000	$22.21
West Central	B/C		4,373,000	4.6	16.6	-22,000	$19.18
West Central	**A/B/C**	**112**	**6,166,000**	**6.5**	**17.0**	**50,000**	**$20.07**
Total A	A		48,232,000	51.0	15.4	812,000	$29.38
Total B/C	B/C		44,887,000	47.5	19.3	-201,000	$21.63
Total/Average	**A/B/C**	**1103**	**94,563,000**	**100.0**	**17.2**	**611,000**	**$25.71**

Source:

As of third quarter 2018, the overall vacancy rate for the market is 17.2 percent. The subject's Southeast Suburban submarket has a vacancy rate of 19.1 percent.

The average asking rental rate for all types of space within the market is $25.71 per square foot. The subject's Southeast Suburban submarket has an average asking rental rate of $24.29 per square foot.

Class A buildings constitute 51.0 percent of existing inventory and are exhibiting a lower vacancy rate (15.4 percent) than Class B/C buildings (19.3 percent) and higher average asking rents of $29.38 versus $21.63 per square foot.

Supply

Inventory and Construction Completions

Between 2013 and 2017 a total of 3,849,000 square feet of space was completed or an average of 769,800 square feet per year. No new space was completed as of third quarter 2018. Over the next five years, Reis projects that an additional 4,470,000 square feet will completed the Denver market.

Within the subject submarket, a total of 1,499,000 square feet of space was completed between 2013 and 2017. Over the next five years, Reis projects that an additional 1,060,000 square feet of new space will be completed within the Southeast Suburban submarket.

The following table presents historical inventory and projected completions for the region and subject submarket.

HISTORICAL AND PROJECTED INVENTORY & COMPLETIONS (SF)

	Denver					Southeast Suburban					
Year	Class A	Completions	Class B/C	Completions	Total Completions	Class A	Completions	Class B/C	Completions	Total Completions	% of Region
2013	43,752,000	28,000	45,058,000	0	28,000	15,118,000	0	14,240,000	0	0	0.0%
2014	44,034,000	302,000	44,997,000	0	302,000	15,118,000	0	14,240,000	0	0	0.0%
2015	45,082,000	1,208,000	44,917,000	0	1,208,000	15,254,000	296,000	14,202,000	0	296,000	24.5%
2016	45,370,000	423,000	44,827,000	0	423,000	15,119,000	0	14,202,000	0	0	0.0%
2017	47,046,000	1,676,000	44,910,000	212,000	1,888,000	16,110,000	991,000	14,397,000	212,000	1,203,000	63.7%
3Q18	49,676,000	480,000	44,887,000	0	480,000	16,782,000	50,000	14,397,000	0	50,000	10.4%
2018	---	---	---	---	2,830,000	---	---	---	---	857,000	30.3%
2019	---	---	---	---	498,000	---	---	---	---	0	0.0%
2020	---	---	---	---	323,000	---	---	---	---	57,000	17.6%
2021	---	---	---	---	409,000	---	---	---	---	71,000	17.4%
2022	---	---	---	---	410,000	---	---	---	---	75,000	18.3%
2013-2017											
Total Completions		**3,637,000**		**212,000**	**3,849,000**		**1,287,000**		**212,000**	**1,499,000**	
Annual Average		**727,400**		**42,400**	**769,800**		**257,400**		**42,400**	**299,800**	**38.9%**

Source: Reis, Inc.

Demand

Vacancy Rates

As shown in the following chart, vacancy rates decreased from 18.9 in 2013 to 17.4 percent in 2017. For third quarter 2018 the vacancy rate stands at 17.2 percent. Over the near term, Reis projects a decline in vacancy levels for Denver, with vacancy ranging from 17.4 to in 2018 to 16.2 percent in 2022.

Between 2013 and 2017, vacancy rates decreased from 19.7 to 19.1 percent. The current vacancy rate for the submarket is 19.1 percent. Over the near term, Reis is projecting a decline in vacancy for the Southeast Suburban submarket, with vacancy levels ranging from 19.3 percent in 2018 to 17.1 percent in 2022.

The following table presents historical and projected vacancy rates for the region and subject submarket.

HISTORICAL AND PROJECTED VACANCY RATES (%)						
	Denver			Southeast Suburban		
Year	Class A	Class B/C	Total	Class A	Class B/C	Total
2013	17.5	20.2	18.9	17.9	21.6	19.7
2014	16.0	18.0	17.0	16.9	20.8	18.8
2015	16.3	18.9	17.6	18.2	22.7	20.4
2016	16.1	18.4	17.2	18.3	21.4	19.8
2017	15.6	19.3	17.4	17.0	21.4	19.1
3Q18	15.4	19.3	17.2	17.0	21.6	19.1
2018	---	---	17.4	---	---	19.3
2019	---	---	17.2	---	---	18.9
2020	---	---	16.9	---	---	18.4
2021	---	---	16.5	---	---	17.7
2022	---	---	16.2	---	---	17.1

Source: Reis, Inc.
Note: Reis does not differentiate between space that is available directly from the landlord or as a sublease. Any space that is available immediately for leasing (i.e. within 30 days) is considered vacant by Reis' standards.

As shown, Class A buildings within the region are exhibiting a lower vacancy rate (15.4 percent) than Class B/C buildings (19.3 percent). Within the subject submarket, Class A buildings are exhibiting lower vacancies than Class B/C buildings (17.0 percent versus 21.6 percent).

Absorption Trends

Absorption measures change in the level of occupied space in a geographic region over a specific period of time. Absorption is not a measure of leasing activity. It reflects increasing, stable or decreasing demand for space. If the level of occupied space increases from one period to the next, demand has increased. If no change has occurred, demand is stable. If the level of occupied space is lower, demand has decreased. All things being equal, positive absorption lowers vacancy rates and negative absorption increases vacancy rates. A newly constructed building that enters the marketplace vacant will adversely affect the vacancy rate but have no bearing on absorption since it has not altered the level of occupancy.

Over the past few years, new construction activity within the Denver region has trailed absorption. As shown in the following table, an annual average of 769,800 square feet of space was completed in the region between 2013 and 2017, while 803,600 square feet was absorbed. Over the next five years, Reis projects that construction will fall behind absorption with new construction totaling 4,470,000 square feet, and absorption totaling 4,768,000 square feet.

Between 2013 and 2017, new construction within the Southeast Suburban submarket trailed absorption, with an annual average of 299,800 square feet completed and 315,000 square feet absorbed. Over the next five years, Reis projects that new construction will not surpass absorption (new construction will total 1,060,000 square feet, and 1,492,000 square feet is expected to be absorbed).

The following table presents historical and projected absorption levels and completions for the region and the subject submarket.

HISTORIC AND PROJECTED NET ABSORPTION (SF)								
	Denver				Southeast Suburban			
Year	Class A	Class B/C	Total Absorption	Total Completions	Class A	Class B/C	Total Absorption	Total Completions
2013	-379,000	478,000	97,000	28,000	168,000	302,000	469,000	0
2014	877,000	940,000	1,817,000	302,000	151,000	114,000	265,000	0
2015	757,000	-459,000	300,000	1,208,000	-89,000	-303,000	-392,000	296,000
2016	322,000	161,000	481,000	423,000	-121,000	189,000	68,000	0
2017	1,652,000	-326,000	1,323,000	1,888,000	1,016,000	150,000	1,165,000	1,203,000
3Q18	812,000	-201,000	613,000	480,000	27,000	-50,000	-22,000	50,000
2018	---	---	2,327,000	2,830,000	---	---	618,000	857,000
2019	---	---	580,000	498,000	---	---	148,000	0
2020	---	---	521,000	323,000	---	---	197,000	57,000
2021	---	---	720,000	409,000	---	---	265,000	71,000
2022	---	---	620,000	410,000	---	---	264,000	75,000
2013-2017								
Total Absorption	**3,229,000**	**794,000**	**4,018,000**	**3,849,000**	**1,125,000**	**452,000**	**1,575,000**	**1,499,000**
Annual Average	**645,800**	**158,800**	**803,600**	**769,800**	**225,000**	**90,400**	**315,000**	**299,800**

Source: Reis, Inc.

Rental Rate Trends

As shown in the following chart, average asking rents in the Denver region have jumped from $22.21 per square foot in 2013 to $24.95 per square in 2017, indicating a compound annual growth rate (CAGR) of 3.0 percent. In the next five years, average asking rents are expected to increase from $25.84 per square foot in 2018 to $28.93 per square foot in 2022. Currently the average asking rent stands at $25.71 per square foot.

Average asking rental rates in the Southeast Suburban submarket increased from an average of $20.80 per square foot in 2013 to $23.65 per square foot in 2017, demonstrating a CAGR of 3.3 percent. Over the next five years, average asking rents are expected to increase from $24.44 per square foot in 2018 to $28.06 per square foot in 2022. The current average asking rent stands at $24.29 per square foot.

The following table presents historical and projected average asking rental rates for the region and subject submarket.

Historical and Projected Average Asking Rental Rates ($/SF)										
	Denver					Southeast Suburban				
Year	Class A	Class B/C	Total	% Change	Effective Rent	Class A	Class B/C	Total	% Change	Effective Rent
2013	$25.71	$18.81	$22.21	1.7	$17.12	$23.95	$17.46	$20.80	3.5	$15.32
2014	$26.66	$19.42	$23.00	3.6	$17.75	$24.71	$18.09	$21.50	3.4	$15.87
2015	$27.31	$19.99	$23.66	2.9	$18.28	$25.72	$18.77	$22.37	4.0	$16.51
2016	$27.93	$20.58	$24.28	2.6	$18.72	$26.33	$19.38	$22.96	2.6	$16.93
2017	$28.61	$21.12	$24.95	2.8	$19.23	$26.97	$19.94	$23.65	3.0	$17.43
3Q18	$29.38	$21.63	$25.71	0.5	$19.83	$27.47	$20.54	$24.29	0.2	$17.93
2018	---	---	$25.84	3.6	$19.93	---	---	$24.44	3.3	$18.01
2019	---	---	$26.62	3.0	$20.52	---	---	$25.28	3.4	$18.62
2020	---	---	$27.37	2.8	$21.09	---	---	$26.15	3.4	$19.23
2021	---	---	$28.15	2.8	$21.69	---	---	$27.08	3.6	$19.86
2022	---	---	$28.93	2.8	$22.27	---	---	$28.06	3.6	$20.51
2013-2017										
CAGR	**2.71%**	**2.94%**	**2.95%**			**3.01%**	**3.38%**	**3.26%**		

Source: Reis, Inc.
Notes: CAGR stands for Compound Annual Growth Rate. Asking rents cited by Reis reflect the advertised rental rates for actively marketed space. Effective rents net of any rental concessions, expressed over the life of the lease term. Reis quotes Office rents on a Gross basis.

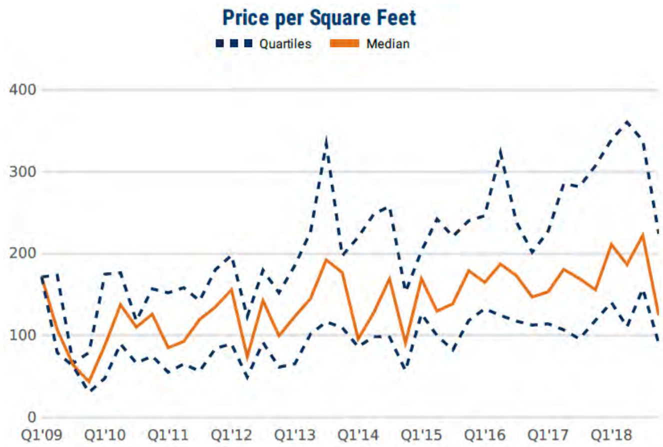
As shown, Class A buildings within the region are exhibiting higher average asking rents ($29.38 per square foot) than Class B/C buildings ($21.63 per square foot). Within the subject submarket, Class A buildings have higher average asking rents than Class B/C buildings ($27.47 per square foot versus $20.54 per square foot).

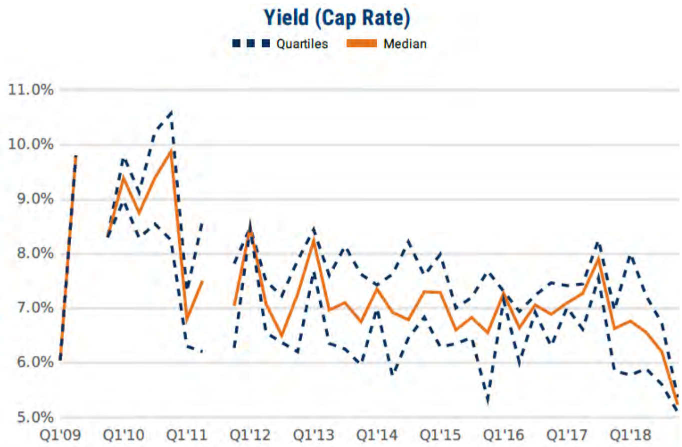
Denver Office Conclusion

Vacancy levels for the Denver Office market have decreased since 2013 and are expected to decline from 17.4 percent next year to 16.2 percent in 2022. Over the near term, new construction activity should fall behind absorption, and average asking rates are forecasted to range from $25.84 per square foot at the end of next year to $28.93 per square foot in 2022.

Denver Office Investment Sales Market

According to Real Capital Analytics, 129 office sale transactions closed in the 12 months ending December 2018, with a total volume of $2.9 billion, averaging a price of approximately $259 per square foot. The 129 buildings total 13.46 million square feet. Capitalization rates for this period averaged 6.4 percent, with an average of 5.2 percent reported for the fourth quarter of 2018. As shown in the following graphic, prices have generally trended upward since late 2013 and have recently crossed the benchmark (United States) averages. Capitalization rates have trended downward during this period and have remained consistently above national averages.





Source: *Real Capital Analytics*

Subject – Village Center Station I

Location and Description

Village Center Station I is located at 6380 South Fiddlers' Green Circle, Greenwood Village, Arapahoe County, Colorado. The property is situated in the Southeast Suburban submarket of the metropolitan Denver office market.

The subject is an attractive 9-story, Class A, multi-tenanted office building with attached parking that contains a total of 234,915 square feet of rentable area situated on a total of 141,075 square feet of land area. The improvements were completed in 2009 and are in good condition. It features attractive concrete panels, composite veneer, and glass curtain wall construction and numerous amenities including ground floor retail. The subject is part of the Village Center Station campus, which is a developing three building campus with several major tenants.

The subject is currently some 97.49 percent occupied, with a combination of office and ground floor retail tenants. Some of the major tenants include Charter Communications, Regis University, Holland & Hart, LLP, and CB&I Federal Services. It appears that the subject's occupancy and potential turnover risk is lower than that of other office properties in the competitive market.

Transportation and Connectivity

Access characteristics to and through the local market area are excellent, with three major highways and various major arteries servicing the area.

- Primary access into the local market area is provided by Interstate 25, the major north-south highway through the DMA and the State of Colorado. In late 2006, the State completed the expansion of this highway to 10 lanes through the local market area, as this stretch of highway had become the most congested in the metropolitan area.
- Interstate 225 is a peripheral highway looping around the southeasterly and easterly portions of the DMA, connecting Interstate 25 in the southeast quadrant of the DMA with Interstate 70 (primary east/west highway through the DMA and the State) in the northeast quadrant. I-225 also provides indirect access to Denver International Airport.
- Colorado 470 is a peripheral highway looping around the DMA. East 470 connects Interstate 25 on the south end of the metro area, leading to DIA and northern suburbs, and connects with I-25 on the northern fringe of the metro area. This highway now provides direct access from the subject's local market area to DIA.
- Major east-west arterials include: Orchard Road, Belleview Avenue, Dry Creek Road, Hampden Avenue, County Line Road, Lincoln Avenue and Arapahoe Road. Arapahoe Road is the primary connection between south central and southeast suburban DMA, and is densely developed with commercial use.
- North-south arterials include: DTC Boulevard, Yosemite Street, and Quebec Street. Yosemite Street extends along the eastern boundary of the Denver Tech Center, crosses I-25 near Arapahoe Road, and extends south to Lincoln Avenue. Quebec Street generally defines the western boundary of Greenwood Plaza. DTC Boulevard extends through the Tech Center, and north of I-225.

Adjacent to the subject is the Arapahoe at Village Station RTD light rail passenger station. It features an attractive plaza with fountains and extensive landscaping. In regards to infrastructure, a 20-mile light rail line was completed in November 2006 along I-25 between Lincoln Avenue on the south edge of the subject local market area to downtown Denver, in conjunction with the expansion of I-25 to 10 lanes. The project (named T-Rex) commenced in 2001 and was finished in late 2006. This project has significantly improved access between downtown and the subject local market area, and has successfully helped to alleviate the traffic congestion.

To the southeast of the subject, across Interstate 25, is the Centennial Airport and related regional airport uses. This regional airport is considered one of the Nation's busiest general aviation executive airports and is easily accessible.

Competitive Market Survey – Micro Market

In order to gain a better understanding of the market conditions specific to the subject, we conducted a survey of those buildings that would be considered most competitive to the subject.

Micro Market Snapshot

We have identified office buildings with the following characteristics as being directly competitive with the subject.

- Mid-rise suburban class A state-of-the art office product.
- Those office buildings in the competitive market constructed after 1985, mostly concentrating on newer product but including a sample of nearby older trophy assets as well.

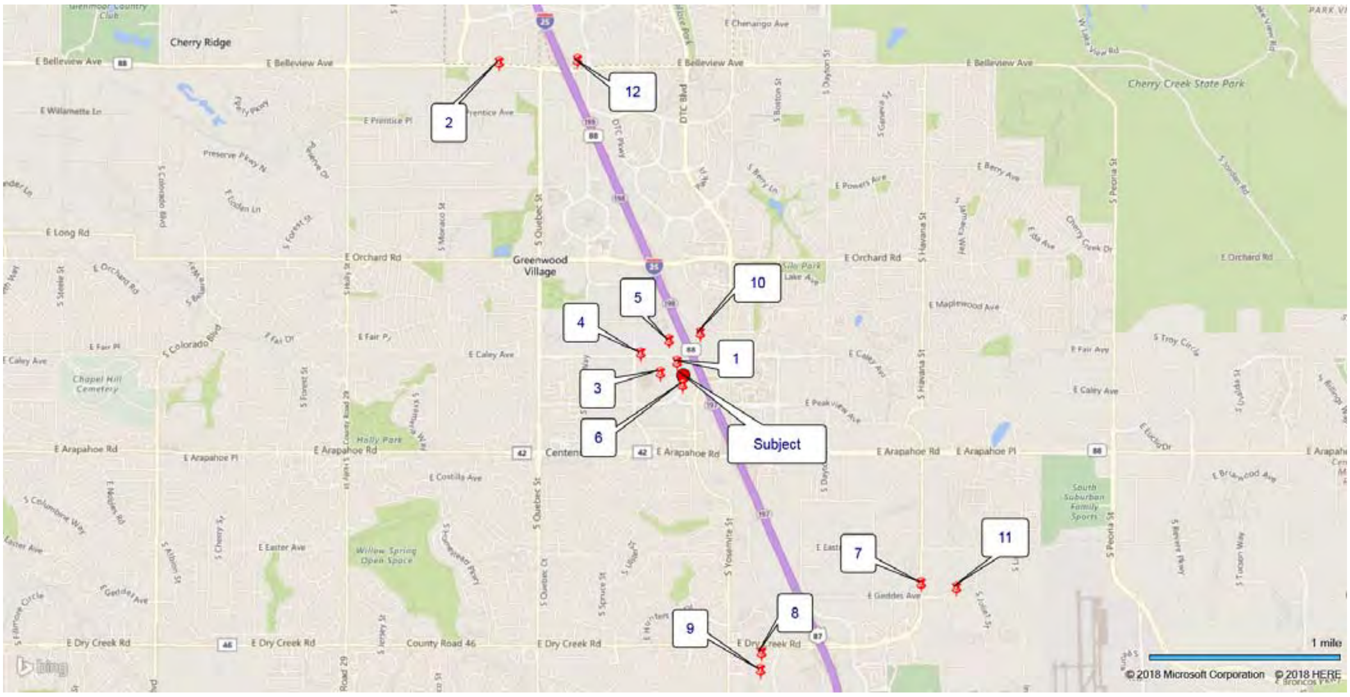
The following table contains the results of a CoStar Group and Cushman & Wakefield survey of existing competitive properties. These buildings are similar in terms of location, physical attributes, and access to amenities:

COMPETITIVE MICRO MARKET

No.	Name	Address	Parking Ratio	Year Built	Stories	Investment Class	RBA (SF)	Direct Vacant SF	% Leased	Ask Rate/SF	Expenses
S	**Village Center Station I**	**6380 S Fiddler's Green Cir**	**3.35**	**2009**	**9**	**A**	**234,915**	**11,890**	**94.9**	**$25.00**	**Triple Net**
1	Village Center Station II	6360 S Fiddler's Green Cir	3.75	2018	12	A	325,576	0	100.0	-	Triple Net
2	One Belleview Station	7001 E Belleview Ave	3.50	2017	15	A	318,000	0	100.0	$25.00	Triple Net
3	Palazzo Verdi	6363 S Fiddler's Green Cir	3.50	2008	15	A	233,959	0	100.0	$24.00	Triple Net
4	Tuscany Village Center	6312 S Fiddlers Green Cir	3.14	1985	6	A	259,118	52,083	79.9	$19.25	Triple Net
5	CoBank Center	6340 S Fiddlers Green Cir	3.50	2015	11	A	274,287	0	100.0	-	Triple Net
6	Plaza Tower One	6400 S Fiddlers Green Cir	3.00	1985	22	A	468,885	50,640	89.2	$23.00	Triple Net Equiv.
7	INOVA Dry Creek 1	7250 S Havana St	5.00	2017	5	A	211,578	0	100.0	-	Triple Net
8	Arrow Building	9151 E Panorama Cir	5.84	2017	7	A	227,000	0	100.0	-	Triple Net
9	Panorama Corporate Center V	9200 E Panorama Cir	4.60	1998	4	A	139,860	10,079	92.8	$19.00	Triple Net
10	Granite Place at Village Center	6165 S Willow Dr	3.50	2017	10	A	299,702	0	100.0	$25.00	Triple Net
11	INOVA Dry Creek 2	10825 E Geddes Ave	6.00	2018	5	A	222,070	80,389	63.8	$22.50	Triple Net
12	RE/MAX Plaza	5075 S Syracuse St	3.50	2007	12	A	133,352	0	100.0	-	Triple Net
OVERALL STATISTICS INCLUDING SUBJECT											
Low:			3.00	1985	4		133,352	0	63.8	$19.00	
High:			6.00	2018	22		468,885	80,389	100.0	$25.00	
Average/Total/All Classes:			**4.01**	**2009**	**10**		**257,562**	**15,775**	**93.9**	**$22.84**	

NNN- 'Triple Net'
Source: CoStar Goup, Inc. and Cushman & Wakefield of Colorado, Inc.

COMPETITION MAP



We surveyed 13 competitive office buildings within the submarket, including the subject, containing approximately 3.35 million square feet. The average vacancy is approximately 6.10 percent, which falls far lower than the 18.7 percent vacancy witnessed in the Southeast Suburban submarket and the metro Denver average of 17.5 percent.

Average asking rates for competitive office space range from $19.00 to $25.00 per square foot, with an average of $22.84 per square foot on a triple net rental basis. A “triple net” lease structure is defined by market participants as tenants being responsible for their pro-rata share of operating expenses incurred at the subject property including real estate taxes, insurance, common area maintenance and utilities. Lease rates include a tenant improvement package ranging from $4.00 to $8.00 per square foot per year of the lease term for new leases, and none (As Is) to $3.00 per square foot per year of the lease term for renewal leases. Lease terms typically reflect annual escalations typically falling in the range of $0.50 per square foot annually for triple net leases. The range in average asking rental rates is primarily based on the property location, the quality and amount of tenant build out, and other property characteristics.

In the subject's market, office leases in the inferior older assets are typically written on a full-service gross basis in which the tenant is responsible for increases in their pro-rata share of operating expenses over the base year of occupancy. Conversely, the newer and more superior office assets, such as the subject, are now commanding triple net rental rates in which the tenant is responsible for their pro-rata share of the majority of operating expense, while the landlord is typically responsible for capital expenditures and a small amount of ownership related expenses.

The subject falls generally in the middle to upper end of this set in terms of access to amenities, overall quality/condition, and parking facilities. Accordingly, it commands rents in line to higher with those assumptions.

Subject's Competitive Market Position

The subject is considered a Class A office building by market participants based on its quality, condition and tenancy. The subject benefits from being located within a well-established submarket located along the interstate 25 corridor serving southeast metropolitan Denver, proximate to primary demand generators and local area amenities. In addition, the subject is located within the community of Greenwood Village, which has a significant residential base that supports professional and financial services, high-tech firms, and healthcare-related office tenancy. The subject also benefits from being located near major thoroughfares and public transportation with accessibility from surrounding markets. The subject's immediate market reflects a competitive supply of available office space with stable triple net rental rates. The subject offers good amenities that are attractive to prospective tenants as evidenced by its current tenancy. Thus, based on the subject's locational characteristics, project quality and current tenancy, the subject has a good competitive position in comparison to other comparable buildings within the immediate market.

Micro Market Outlook and Conclusions

SWOT ANALYSIS

Strengths

- The subject benefits from its location within the southeast sector of metropolitan Denver.
- Many of the tenants in occupancy have been at the subject for some time.
- The proximity to a limited access highway, a light rail passenger station, a regional commercial airport, a regional mall, and a strong surrounding residential base are positive factors when marketing the subject.

Weaknesses

- The abundance of vacant land in the immediate area is available for new office construction, which could potentially hurt the subject's overall marketability.
- While the national economy is strong, continued issues in the price of crude oil could potentially hurt the local economy as local oil and gas companies continue to contract.
- There are several proposed class A office buildings that are planned for the competitive market, which might make the subject susceptible to future vacancies.

Opportunities

- The economic conditions inherent in the metropolitan Denver area have recently outperformed the nation as a whole.
- The growing economy and the resultant demand for new residential development is continuing its expansion, which in turn signifies a need for office demand, more specifically into the northwest submarket.
- The outgrowth of tenants from the high rental rates now being charged in the central business district of Denver continues to help the surrounding communities in capturing new businesses.

Threats

- Any dip in consumer spending and oil prices could hurt the Denver economy and in turn have negative repercussions throughout the metropolitan area.

Subject – Village Center Station II

Location and Description

Village Center Station II is located at 6360 South Fiddlers' Green Circle, Greenwood Village, Arapahoe County, Colorado. The property is situated in the Southeast Suburban submarket of the metropolitan Denver office market.

The subject is an attractive 12-story, Class A, single-tenanted office building with attached parking that contains a total of 325,576 square feet of rentable area situated on a total of 225,628 square feet of land area. The improvements are in the process of being completed and will be an excellent condition at that time. It features attractive concrete panels, composite veneer, and glass curtain wall construction and numerous amenities catering to a single-tenant. The subject is part of the Village Center Station campus, which is a developing three building campus with several major tenants.

Charter Communications Holding Company, LLC occupies the entire subject property under the terms of a ten-year triple net lease agreement which expires in May 2028. They also have either three-5 year options to renew or two-6 year options to renew. Due to the long-term nature of the single-tenant lease in place, it appears that the subject's occupancy and potential turnover risk is far lower than that of other office properties in the competitive market.

Competitive Market Survey – Micro Market

In order to gain a better understanding of the market conditions specific to the subject, we conducted a survey of those buildings that would be considered most competitive to the subject.

Micro Market Snapshot

We have identified office buildings with the following characteristics as being directly competitive with the subject.

- Mid-rise suburban class A state-of-the art office product.
- Those office buildings in the competitive market constructed after 1985, mostly concentrating on newer product but including a sample of nearby older trophy assets as well.

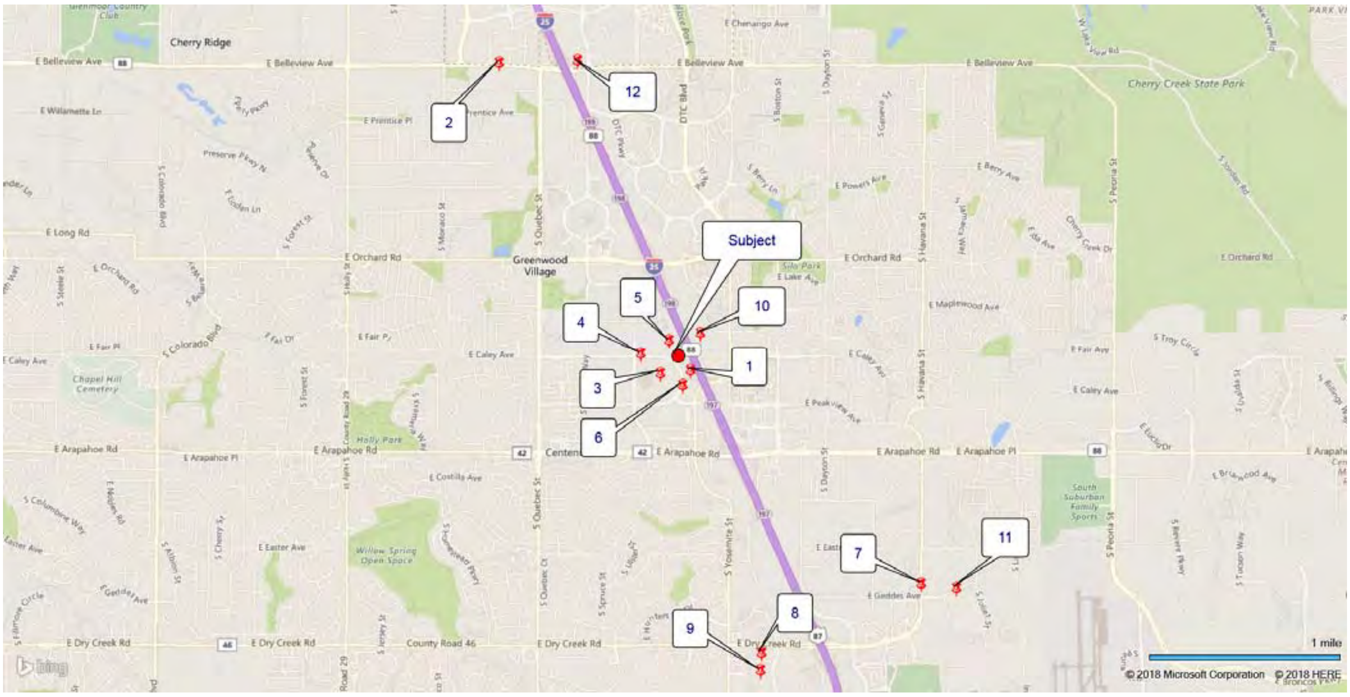
The following table contains the results of a CoStar Group and Cushman & Wakefield survey of existing competitive properties. These buildings are similar in terms of location, physical attributes, and access to amenities:

COMPETITIVE MICRO MARKET

No.	Name	Address	Parking Ratio	Year Built	Stories	Investment Class	RBA (SF)	Direct Vacant SF	% Leased	Ask Rate/SF	Expenses
S	**Village Center Station II**	**6360 S Fiddler's Green Cir**	**3.75**	**2018**	**12**	**A**	**325,576**	**0**	**100.0**	**-**	**Triple Net**
1	Village Center Station I	6380 S Fiddler's Green Cir	3.35	2009	9	A	234,915	5,890	94.9	$25.00	Triple Net
2	One Belleview Station	7001 E Belleview Ave	3.50	2017	15	A	318,000	0	100.0	$25.00	Triple Net
3	Palazzo Verdi	6363 S Fiddler's Green Cir	3.50	2008	15	A	233,959	0	100.0	$24.00	Triple Net
4	Tuscany Village Center	6312 S Fiddlers Green Cir	3.14	1985	6	A	259,118	52,083	79.9	$19.25	Triple Net
5	CoBank Center	6340 S Fiddlers Green Cir	3.50	2015	11	A	274,287	0	100.0	-	Triple Net
6	Plaza Tower One	6400 S Fiddlers Green Cir	3.00	1985	22	A	468,885	50,640	89.2	$23.00	Triple Net Equiv.
7	INOVA Dry Creek 1	7250 S Havana St	5.00	2017	5	A	211,578	0	100.0	-	Triple Net
8	Arrow Building	9151 E Panorama Cir	5.84	2017	7	A	227,000	0	100.0	-	Triple Net
9	Panorama Corporate Center V	9200 E Panorama Cir	4.60	1998	4	A	139,860	10,079	92.8	$19.00	Triple Net
10	Granite Place at Village Center	6165 S Willow Dr	3.50	2017	10	A	299,702	0	100.0	$25.00	Triple Net
11	INOVA Dry Creek 2	10825 E Geddes Ave	6.00	2018	5	A	222,070	80,389	63.8	$22.50	Triple Net
12	RE/MAX Plaza	5075 S Syracuse St	3.50	2007	12	A	133,352	0	100.0	-	Triple Net
OVERALL STATISTICS INCLUDING SUBJECT											
Low:			3.00	1985	4		133,352	0	63.8	$19.00	
High:			6.00	2018	22		468,885	80,389	100.0	$25.00	
Average/Total/All Classes:			**4.01**	**2009**	**10**		**257,562**	**15,314**	**93.9**	**$22.84**	

NNN- 'Triple Net'
Source: CoStar Goup, Inc. and Cushman & Wakefield of Colorado, Inc.

COMPETITION MAP



We surveyed 13 competitive office buildings within the submarket, including the subject, containing approximately 3.35 million square feet. The average vacancy is approximately 6.10 percent, which falls far lower than the 18.7 percent vacancy witnessed in the Southeast Suburban submarket and the metro Denver average of 17.5 percent.

Average asking rates for competitive office space range from $19.00 to $25.00 per square foot, with an average of $22.84 per square foot on a triple net rental basis. A "triple net" lease structure is defined by market participants as tenants being responsible for their pro-rata share of operating expenses incurred at the subject property including real estate taxes, insurance, common area maintenance and utilities. Lease rates include a tenant improvement package ranging from $4.00 to $8.00 per square foot per year of the lease term for new leases, and none (As Is) to $3.00 per square foot per year of the lease term for renewal leases. Lease terms typically reflect annual escalations typically falling in the range of $0.50 per square foot annually for triple net leases. The range in average asking rental rates is primarily based on the property location, the quality and amount of tenant build out, and other property characteristics.

In the subject's market, office leases in the inferior older assets are typically written on a full-service gross basis in which the tenant is responsible for increases in their pro-rata share of operating expenses over the base year of occupancy. Conversely, the newer and more superior office assets, such as the subject, are now commanding triple net rental rates in which the tenant is responsible for their pro-rata share of the majority of operating expense, while the landlord is typically responsible for capital expenditures and a small amount of ownership related expenses.

The subject falls generally at the high end of this set in terms of access to new construction, amenities, overall quality/condition, and parking facilities. Accordingly, it commands rents higher with those assumptions.

Subject's Competitive Market Position

The subject is considered a Class A office building by market participants based on its quality, condition and tenancy. The subject benefits from being located within a well-established submarket located along the interstate 25 corridor serving southeast metropolitan Denver, proximate to primary demand generators and local area amenities. In addition, the subject is located within the community of Greenwood Village, which has a significant residential base that supports professional and financial services, high-tech firms, and healthcare-related office tenancy. The subject also benefits from being located near major thoroughfares and public transportation with accessibility from surrounding markets. The subject's immediate market reflects a competitive supply of available office space with stable triple net rental rates. The subject offers good amenities that are attractive to prospective tenants as evidenced by its current single tenancy. Thus, based on the subject's locational characteristics, project quality and current tenancy, the subject has a good competitive position in comparison to other comparable buildings within the immediate market.

Micro Market Outlook and Conclusions

SWOT ANALYSIS

Strengths

- The subject benefits from its location within the southeast sector of metropolitan Denver.
- The subject is fully occupied by a single-tenant with a long-term lease in place.
- The proximity to a limited access highway, a light rail passenger station, a regional commercial airport, a regional mall, and a strong surrounding residential base are positive factors when marketing the subject.

Weaknesses

- The abundance of vacant land in the immediate area is available for new office construction, which could potentially hurt the subject's overall marketability.
- While the national economy is strong, continued issues in the price of crude oil could potentially hurt the local economy as local oil and gas companies continue to contract.
- There are several proposed class A office buildings that are planned for the competitive market, which might make the subject susceptible to future vacancies.
- If the current tenant were ever to vacate the subject, it could result in a completely vacant building in need of substantial renovation and remodeling costs in order to market the asset for multi-tenancy going forward.

Opportunities

- The economic conditions inherent in the metropolitan Denver area have recently outperformed the nation as a whole.
- The growing economy and the resultant demand for new residential development is continuing its expansion, which in turn signifies a need for office demand, more specifically into the northwest submarket.
- The outgrowth of tenants from the high rental rates now being charged in the central business district of Denver continues to help the surrounding communities in capturing new businesses.

Threats

- Any dip in consumer spending and oil prices could hurt the Denver economy and in turn have negative repercussions throughout the metropolitan area.

St. Louis, Missouri

Introduction

Market Definition

The St. Louis, MO-IL Core-Based Statistical Area (St. Louis CBSA) is positioned at the confluence of the Missouri and Mississippi Rivers, spanning eight counties in the State of Illinois and eight counties in the State of Missouri. The metro is comprised of the following counties: Crawford, Franklin, Jefferson, Lincoln, St. Charles, St. Louis, the City of St. Louis and Warren in Missouri; and Bond, Calhoun, Clinton, Jersey, Macoupin, Madison, Monroe and St. Clair in Illinois. As the largest incorporated area within the CBSA and with a population of 310,230 residents, the City of St. Louis is the cultural and economic center of the region. The St. Louis CBSA is the largest metro area in Missouri with a total population of over 2.8 million, according to Experian Marketing Solutions'.

Demographic Trends

Demographic Characteristics

The demographic characteristics of the St. Louis CBSA trend closely to the population of the United States, with a slightly older population holding higher median income levels and educational attainments. The region's climbing payrolls in the high-wage industries of logistics and technology have supported a more skilled labor force and improved the area demographics. Although the metro area average household income level is just below the national average, living costs that are 94.0 percent of the national average offset this effect somewhat by boosting household purchasing power. These factors, combined with a diversified local economy and a relatively low cost of doing business, should favorably position the St. Louis to attract business investment and experience economic growth moving forward. Although the metro area has experienced a persistent out-migration of its young, college-educated population over the last ten years due to a lack of job opportunities, expectations for a stronger labor market should help the metro area be more attractive to college educated adults in the near-term.

Points to consider:

- At 39.0 years, the median age in St. Louis is one year higher than the national median age of 38.0 years.
- An estimated 57.2 percent of households in St. Louis City earn $50,000 or more annually, 2.1 percentage points above the national share of 55.1 percent.
- At least 31.2 percent of adult residents in the St. Louis CBSA hold a Bachelor's or advanced college degree, compared to 29.4 percent nationally.

Population

According to Experian Marketing Solutions', the St. Louis CBSA is home to over 2.8 million residents. The city of St. Louis is the 61st largest city in the nation, by population. Recently the St. Louis region fell out of the Top 20 largest metropolitan areas in the country. St. Louis city's population declined by more than 4,500 people, the largest drop since the 2010 Census numbers were released. The St. Louis CBSA is now the 21st largest metro area in the United States, trading spots with The Baltimore area. Young, educated residents are primarily moving to the metros of Austin, Dallas, Houston and Kansas City. The weak demographics, structurally declining manufacturing and limited high-wage opportunities of the CBSA have limited expansion in recent years and the region has struggled to resume its pre-recession growth rate. In the near term, population growth is forecasted to continue, but will likely remain below average. The surge of mixed-use and community-focused developments should support greater population growth and better retention of young professionals as they come online. Although, poor population trends will hold back a more robust advance for the St. Louis CBSA over the extended forecast horizon.

Further considerations are as follows:

- The population of the St. Louis CBSA grew at an average rate of 0.2 percent annually between 2007 and 2017, 60 basis points lower than the average national population growth rate of 0.8 percent.
- The St. Louis CBSA population is projected to grow at an average annual rate of 0.1 percent between 2018 and 2022, 50 basis points below the expected national population growth rate of 0.6 percent annually over the same period of time.

The following table details the population trends within the St. Louis CBSA and the United States:

Annualized Population Growth by County
St. Louis Region
2007-2022

Population (000's)	2007	2017	Forecast 2018	Forecast 2022	Compound Annual Growth Rate 07-17	Compound Annual Growth Rate 18-22
United States	301,231.2	325,432.5	327,745.1	336,324.0	0.8%	0.6%
St. Louis Region	**2,780.3**	**2,836.7**	**2,840.5**	**2,855.9**	**0.2%**	**0.1%**
Bond County	18.1	16.7	16.6	16.1	-0.8%	-0.7%
Calhoun County	5.2	4.9	4.9	4.8	-0.6%	-0.5%
Clinton County	37.2	37.9	37.9	37.8	0.2%	-0.1%
Jersey County	22.8	21.9	21.8	21.3	-0.4%	-0.6%
Macoupin County	48.2	45.8	45.6	45.1	-0.5%	-0.3%
Madison County	267.4	266.1	265.7	264.4	0.0%	-0.1%
Monroe County	32.1	34.3	34.5	35.3	0.7%	0.6%
St. Clair County	264.8	262.7	261.7	258.0	-0.1%	-0.4%
Crawford County	24.7	24.4	24.5	24.6	-0.1%	0.1%
Franklin County	100.3	103.0	103.2	104.4	0.3%	0.3%
Jefferson County	214.9	225.1	226.0	229.7	0.5%	0.4%
Lincoln County	50.8	55.7	56.1	57.9	0.9%	0.8%
St. Charles County	345.4	395.6	400.5	421.4	1.4%	1.3%
St. Louis County	999.4	998.2	998.3	997.4	0.0%	0.0%
Warren County	31.2	34.0	34.2	35.2	0.9%	0.7%
St. Louis city	318.0	310.2	309.0	302.6	-0.2%	-0.5%

Source: Data Courtesy of Moody's Analytics, Cushman & Wakefield Valuation & Advisory

Economic Trends

Employment Distribution

The employment base of the St. Louis CBSA is relatively diverse and is led by a strong trade, transportation & utilities sector, a well-established education and health services sector, and a variety of office-using employment sectors. The regional economy has historically been anchored by strong manufacturing and blue-collar industries but with the national decline of domestic manufacturing, payroll growth in the education & health services and professional & business services sectors compensated for some losses. New federal spending will extend durable-goods manufacturers' recent gains, but long-term challenges remain. In the St. Louis CBSA, the industry is heavily concentrated in aerospace, whose share of manufacturing employment is three times the national average because of the presence of Boeing's Defense, Space and Security division. Job growth in durable goods accelerated to twice the average of all private industries at the end of 2017, and the short-term outlook is brightening. Congress has agreed to increase defense spending by a combined $165 billion over the next two fiscal years, alleviating the weight placed on the industry by budget sequestration. However, such spending will be difficult to maintain as the federal budget deficit swells. Further, increasing automation will allow firms to produce more with fewer workers.

Further considerations are as follows:

- The trade, transportation and utilities sector and the education & health services sector is the metro area's largest employment sector, accounting for 18.4 percent each of employment in the metro area. In comparison, trade-related industries and the education & health services sector employs 18.7 percent and 15.8 percent of workers across the United States.
- The St. Louis CBSA has larger concentrations of financial activities, information, professional and business services, education and health services, and leisure and hospitality employment relative to the employment distribution of the nation.

Employment Growth

The St. Louis CBSA's sluggish payroll growth over the past decade has inhibited its recovery and been a significant challenge for its recent population growth. Significant losses in historically leading sectors such as manufacturing have burdened payroll growth in recent years. Consumer industries, and leisure and hospitality in particular, will be a reliable source of job gains in the short term. Rising national wage gains and impending federal tax cuts will boost U.S. disposable income growth and thus the number of travelers. Leisure and hospitality's share of St. Louis's employment far exceeds the Midwest average and surpasses that in nearby Kansas City and Chicago. Investment in new structures bodes well for the St. Louis CBSA's healthcare industry. The positive trend in healthcare's share of employment nationally is playing out even more dramatically in the CBSA. Industry job growth reaccelerated in the second half of 2017 and is expected to exceed the average of all industries over the coming year. BJC Healthcare has broken ground on a new hospital, and SSM Health, in partnership with St. Louis University, has commenced construction of a $550 million facility. Pfizer is investing more than $200 million in a new research and development center. Long-term prospects are solid, given an above average share of baby boomers and geographically distant competitors. Healthcare provides a key source of mid-wage jobs, with earnings per employee just below the average of all industries.

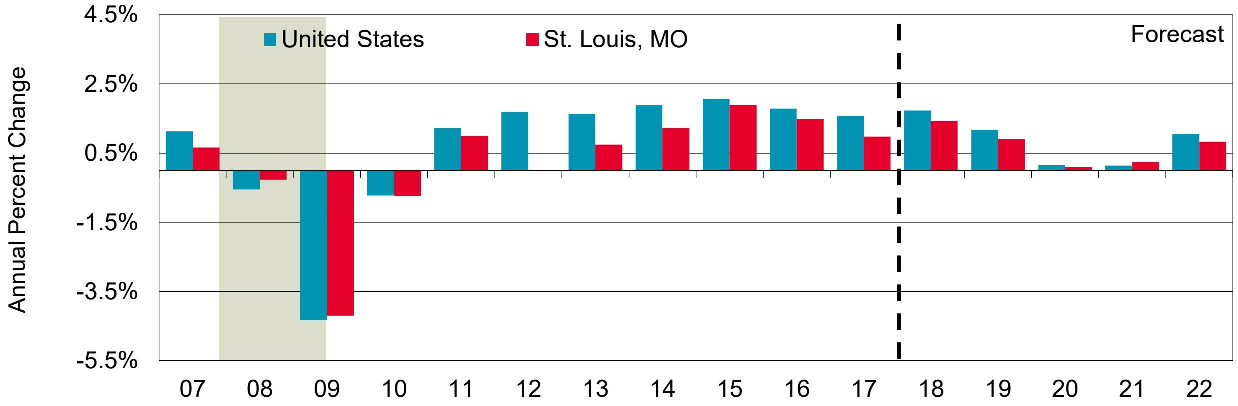
Further considerations are as follows:

- Employment in the St. Louis CBSA grew 0.2 percent between 2007 and 2017, increasing at an average annual rate that was 40 basis points lower than the average national employment growth rate of 0.6 percent.

- Employment growth in the St. Louis CBSA is forecast to expand at an average rate of 0.5 percent annually between 2018 and 2022, below the nation's expected growth rate of 0.6 percent over that period of time.

The following graph compares employment growth per years for the St. Louis CBSA and the United States:

TOTAL EMPLOYMENT GROWTH BY YEAR
St. Louis Region vs. United States, 2007-2022



Source: Data Courtesy of Moody's Analytics and Cushman & Wakefield Valuation & Advisory
Note: Shaded bars indicate periods of recession

Conclusion

The St. Louis CBSA's recent performance is encouraging, but job and income growth will peak in late 2018. The pool of available workers will have dried up, putting the brakes on even high-performing healthcare, and manufacturers cannot expect any additional federal stimulus. Housing should bloom late with consumers' finances in top shape. The metro area has missed out on high-tech growth, but local institutions have the potential to make up lost ground. Longer term, poor population trends will keep the CBSA a step behind the U.S. Longer term, poor population trends will keep the St. Louis CBSA a step behind the U.S.

Further considerations are as follows:

- Below-average living and business costs and the location in central U.S. is a strong attraction to the St. Louis area for businesses. Its strategic location near major highways and the Mississippi River and below-average employment volatility will help St. Louis in the short term. The Cortex Innovation Community will also continue to create momentum in the well-paying high tech industry.
- In the long term, persistent out-migration, including loss of young, educated residents, a high crime rate and exposure to structurally declining manufacturing will hurt the St. Louis CBSA. Cuts to federal defense spending will possibly force layoffs in the aerospace sector. As office space costs escalate, it will make Kansas City and Chicago more attractive for office-using firms.

St Louis Office Market and Clayton Office Submarket

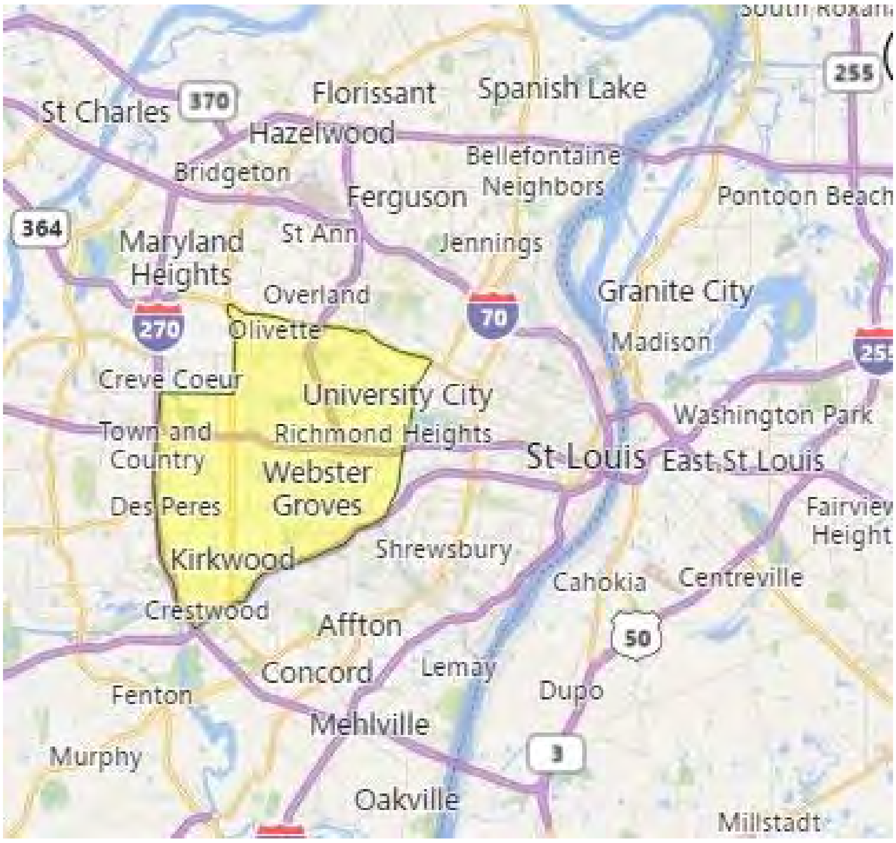
Introduction

Reis, Inc. classifies the St. Louis Office market into eight submarkets, and segregates inventory by type of space (Class A versus Class B/C). The subject lies within the Clayton submarket of St. Louis.

Submarket Snapshot

The St. Louis Office market contains 45,628,000 square feet of space. Downtown is the largest submarket, comprising 24.1 percent of the area's total inventory. Illinois is the smallest submarket with 3.1 percent of total inventory. The subject submarket contains 6,805,000 square feet, or 14.9 percent of the region's inventory. The submarket is generally defined as Page Avenue to the north, Skinker Boulevard to the east, Interstate 44 to the south, and Interstate 270 to the west. The large majority of the office space is within a small area known as downtown Clayton which is Maryland Avenue to the north, Forest Parkway to the east and south, and Interstate 170 to the west.

CLAYTON SUBMARKET



The following table presents the geographic distribution of inventory, along with other statistical information.

GEOGRAPHIC DISTRIBUTION OF INVENTORY

Submarket	Class	No. of Buildings	Inventory (SF)	% Total	Vacancy Rate (%)	Net Absorption	Asking Rent ($/SF)
Clayton	A		4,393,000	9.6	7.6	13,000	$29.70
Clayton	B/C		2,412,000	5.3	19.2	-6,000	$21.22
Clayton	**A/B/C**	**92**	**6,805,000**	**14.9**	**11.7**	**7,000**	**$26.68**
Downtown	A		5,386,000	11.8	24.3	-4,000	$20.66
Downtown	B/C		5,616,000	12.3	17.1	-84,000	$16.69
Downtown	**A/B/C**	**74**	**11,002,000**	**24.1**	**20.6**	**-88,000**	**$18.63**
Hwy 40 Corridor	A		4,838,000	10.6	5.9	7,000	$27.33
Hwy 40 Corridor	B/C		2,988,000	6.5	14.5	1,000	$22.41
Hwy 40 Corridor	**A/B/C**	**155**	**7,826,000**	**17.2**	**9.2**	**8,000**	**$25.47**
Illinois	---		0	0.0	0.0	0	$0.00
Illinois	B/C		1,167,000	2.6	24.0	-2,000	$16.33
Illinois	**A/B/C**	**93**	**1,419,000**	**3.1**	**22.6**	**-5,000**	**$17.79**
North County/St. Charles	A		2,514,000	5.5	17.8	-2,000	$22.85
North County/St. Charles	B/C		3,338,000	7.3	23.8	26,000	$16.94
North County/St. Charles	**A/B/C**	**119**	**5,852,000**	**12.8**	**21.2**	**23,000**	**$19.50**
Olive/Westport	A		3,662,000	8.0	24.5	-2,000	$24.70
Olive/Westport	B/C		3,751,000	8.2	10.1	76,000	$18.49
Olive/Westport	**A/B/C**	**132**	**7,413,000**	**16.2**	**17.2**	**74,000**	**$21.56**
South County	A		977,000	2.1	21.3	-22,000	$25.01
South County	B/C		2,051,000	4.5	17.1	1,000	$20.10
South County	**A/B/C**	**94**	**3,028,000**	**6.6**	**18.5**	**-21,000**	**$21.70**
St. Louis City	---		0	0.0	0.0	0	$0.00
St. Louis City	B/C		1,584,000	3.5	9.5	2,000	$14.21
St. Louis City	**A/B/C**	**65**	**2,283,000**	**5.0**	**14.1**	**0**	**$18.03**
Total A	A		21,770,000	47.7	16.2	-14,000	$25.14
Total B/C	B/C		22,907,000	50.2	16.6	14,000	$18.36
Total/Average	**A/B/C**	**824**	**45,628,000**	**100.0**	**16.4**	**0**	**$21.74**

Source:

As of third quarter 2018, the overall vacancy rate for the market is 16.4 percent. The subject's Clayton submarket has a vacancy rate of 11.7 percent.

The average asking rental rate for all types of space within the market is $21.74 per square foot. The subject's Clayton submarket has an average asking rental rate of $26.68 per square foot.

Class A buildings constitute 47.7 percent of existing inventory and are exhibiting a lower vacancy rate (16.2 percent) than Class B/C buildings (16.6 percent) and higher average asking rents of $25.14 versus $18.36 per square foot.

Supply

Inventory and Construction Completions

Between 2013 and 2017 a total of 559,000 square feet of space was completed or an average of 111,800 square feet per year. No new space was completed as of third quarter 2018. Over the next five years, Reis projects that an additional 1,068,000 square feet will completed the St. Louis market.

Within the subject submarket, no space was completed between 2013 and 2017. Over the next five years, Reis projects that an additional 53,000 square feet of new space will be completed within the Clayton submarket.

The following table presents historical inventory and projected completions for the region and subject submarket.

HISTORICAL AND PROJECTED INVENTORY & COMPLETIONS (SF)

	St. Louis					Clayton					
Year	Class A	Completions	Class B/C	Completions	Total Completions	Class A	Completions	Class B/C	Completions	Total Completions	% of Region
2013	22,233,000	18,000	23,266,000	0	18,000	4,393,000	0	2,430,000	0	0	0.0%
2014	22,161,000	0	23,218,000	0	0	4,393,000	0	2,430,000	0	0	0.0%
2015	22,028,000	0	23,107,000	0	0	4,393,000	0	2,412,000	0	0	0.0%
2016	22,214,000	186,000	22,984,000	0	186,000	4,393,000	0	2,412,000	0	0	0.0%
2017	22,569,000	355,000	22,984,000	0	355,000	4,393,000	0	2,412,000	0	0	0.0%
3Q18	22,721,000	0	22,907,000	0	0	4,393,000	0	2,412,000	0	0	0.0%
2018	---	---	---	---	152,000	---	---	---	---	0	0.0%
2019	---	---	---	---	15,000	---	---	---	---	0	0.0%
2020	---	---	---	---	324,000	---	---	---	---	13,000	4.0%
2021	---	---	---	---	275,000	---	---	---	---	19,000	6.9%
2022	---	---	---	---	302,000	---	---	---	---	21,000	7.0%
2013-2017											
Total Completions		**559,000**		**0**	**559,000**		**0**		**0**	**0**	
Annual Average		**111,800**		**0**	**111,800**		**0**		**0**	**0**	**0.0%**

Source: Reis, Inc.

Demand

Vacancy Rates

As shown in the following chart, vacancy rates decreased from 18.1 in 2013 to 16.0 percent in 2017. For third quarter 2018 the vacancy rate stands at 16.4 percent. Over the near term, Reis projects a rise in vacancy levels for St. Louis, with vacancy ranging from 16.4 to in 2018 to 16.6 percent in 2022.

Between 2013 and 2017, vacancy rates decreased from 13.7 to 11.5 percent. The current vacancy rate for the submarket is 11.7 percent. Over the near term, Reis is projecting a decline in vacancy for the Clayton submarket, with vacancy levels ranging from 11.8 percent in 2018 to 11.0 percent in 2022.

The following table presents historical and projected vacancy rates for the region and subject submarket.

HISTORICAL AND PROJECTED VACANCY RATES (%)

	St. Louis			Clayton		
Year	Class A	Class B/C	Total	Class A	Class B/C	Total
2013	16.4	19.8	18.1	10.9	18.7	13.7
2014	16.2	19.0	17.6	7.9	17.2	11.2
2015	15.3	18.0	16.7	10.0	17.0	12.5
2016	16.4	16.2	16.3	10.5	17.0	12.8
2017	16.3	15.6	16.0	8.5	17.0	11.5
3Q18	16.2	16.6	16.4	7.6	19.2	11.7
2018	---	---	16.4	---	---	11.8
2019	---	---	16.3	---	---	11.7
2020	---	---	16.4	---	---	11.6
2021	---	---	16.5	---	---	11.3
2022	---	---	16.6	---	---	11.0

Source: Reis, Inc.
Note: Reis does not differentiate between space that is available directly from the landlord or as a sublease. Any space that is available immediately for leasing (i.e. within 30 days) is considered vacant by Reis' standards.

As shown, Class A buildings within the region are exhibiting a lower vacancy rate (16.2 percent) than Class B/C buildings (16.6 percent). Within the subject submarket, Class A buildings are exhibiting lower vacancies than Class B/C buildings (7.6 percent versus 19.2 percent).

Absorption Trends

Absorption measures change in the level of occupied space in a geographic region over a specific period of time. Absorption is not a measure of leasing activity. It reflects increasing, stable or decreasing demand for space. If the level of occupied space increases from one period to the next, demand has increased. If no change has occurred, demand is stable. If the level of occupied space is lower, demand has decreased. All things being equal, positive absorption lowers vacancy rates and negative absorption increases vacancy rates. A newly constructed building that enters the marketplace vacant will adversely affect the vacancy rate but have no bearing on absorption since it has not altered the level of occupancy.

Over the past few years, new construction activity within the St. Louis region has trailed absorption. As shown in the following table, an annual average of 111,800 square feet of space was completed in the region between 2013 and 2017, while 241,400 square feet was absorbed. Over the next five years, Reis projects that construction will exceed absorption with new construction totaling 1,068,000 square feet, and absorption totaling 552,000 square feet.

Between 2013 and 2017, new construction within the Clayton submarket trailed absorption, with an annual average of 0 square feet completed and 17,200 square feet absorbed. Over the next five years, Reis projects that new construction will not surpass absorption (new construction will total 53,000 square feet, and 81,000 square feet is expected to be absorbed).

The following table presents historical and projected absorption levels and completions for the region and the subject submarket.

HISTORIC AND PROJECTED NET ABSORPTION (SF)

	St. Louis				Clayton			
Year	Class A	Class B/C	Total Absorption	Total Completions	Class A	Class B/C	Total Absorption	Total Completions
2013	272,000	-91,000	181,000	18,000	110,000	-157,000	-48,000	0
2014	-20,000	139,000	120,000	0	134,000	37,000	171,000	0
2015	73,000	158,000	233,000	0	-95,000	-11,000	-105,000	0
2016	-75,000	312,000	235,000	186,000	-20,000	1,000	-20,000	0
2017	305,000	133,000	438,000	355,000	88,000	0	88,000	0
3Q18	-14,000	14,000	-2,000	0	13,000	-6,000	7,000	0
2018	---	---	-139,000	152,000	---	---	-20,000	0
2019	---	---	72,000	15,000	---	---	9,000	0
2020	---	---	223,000	324,000	---	---	20,000	13,000
2021	---	---	194,000	275,000	---	---	31,000	19,000
2022	---	---	202,000	302,000	---	---	41,000	21,000
2013-2017								
Total Absorption	**555,000**	**651,000**	**1,207,000**	**559,000**	**217,000**	**-130,000**	**86,000**	**0**
Annual Average	**111,000**	**130,200**	**241,400**	**111,800**	**43,400**	**-26,000**	**17,200**	**0**

Source: Reis, Inc.

Rental Rate Trends

As shown in the following chart, average asking rents in the St. Louis region have jumped from $20.62 per square foot in 2013 to $21.56 per square in 2017, indicating a compound annual growth rate (CAGR) of 1.1 percent. In the next five years, average asking rents are expected to increase from $21.81 per square foot in 2018 to $23.01 per square foot in 2022. Currently the average asking rent stands at $21.74 per square foot.

Average asking rental rates in the Clayton submarket increased from an average of $25.29 per square foot in 2013 to $26.17 per square foot in 2017, demonstrating a CAGR of 0.9 percent. Over the next five years, average asking rents are expected to increase from $26.78 per square foot in 2018 to $29.30 per square foot in 2022. The current average asking rent stands at $26.68 per square foot.

The following table presents historical and projected average asking rental rates for the region and subject submarket.

Historical and Projected Average Asking Rental Rates ($/SF)

	St. Louis					Clayton				
Year	Class A	Class B/C	Total	% Change	Effective Rent	Class A	Class B/C	Total	% Change	Effective Rent
2013	$23.97	$17.42	$20.62	0.7	$15.76	$28.12	$20.16	$25.29	1.1	$20.01
2014	$24.25	$17.56	$20.83	1.0	$15.94	$28.01	$20.29	$25.26	-0.1	$20.02
2015	$24.59	$17.92	$21.18	1.7	$16.21	$28.89	$20.33	$25.86	2.4	$20.44
2016	$24.60	$18.01	$21.25	0.3	$16.29	$28.61	$20.34	$25.68	-0.7	$20.32
2017	$24.97	$18.22	$21.56	1.5	$16.54	$29.11	$20.82	$26.17	1.9	$20.71
3Q18	$25.14	$18.36	$21.74	0.3	$16.66	$29.70	$21.22	$26.68	0.6	$21.07
2018	---	---	$21.81	1.2	$16.70	---	---	$26.78	2.3	$21.13
2019	---	---	$22.07	1.2	$16.87	---	---	$27.33	2.1	$21.47
2020	---	---	$22.36	1.3	$17.08	---	---	$27.95	2.3	$21.84
2021	---	---	$22.70	1.5	$17.33	---	---	$28.63	2.4	$22.28
2022	---	---	$23.01	1.4	$17.57	---	---	$29.30	2.3	$22.74
2013-2017 CAGR	**1.03%**	**1.13%**	**1.12%**			**0.87%**	**0.81%**	**0.86%**		

Source: Reis, Inc.
Notes: CAGR stands for Compound Annual Growth Rate. Asking rents cited by Reis reflect the advertised rental rates for actively marketed space. Effective rents net of any rental concessions, expressed over the life of the lease term. Reis quotes Office rents on a Gross basis.

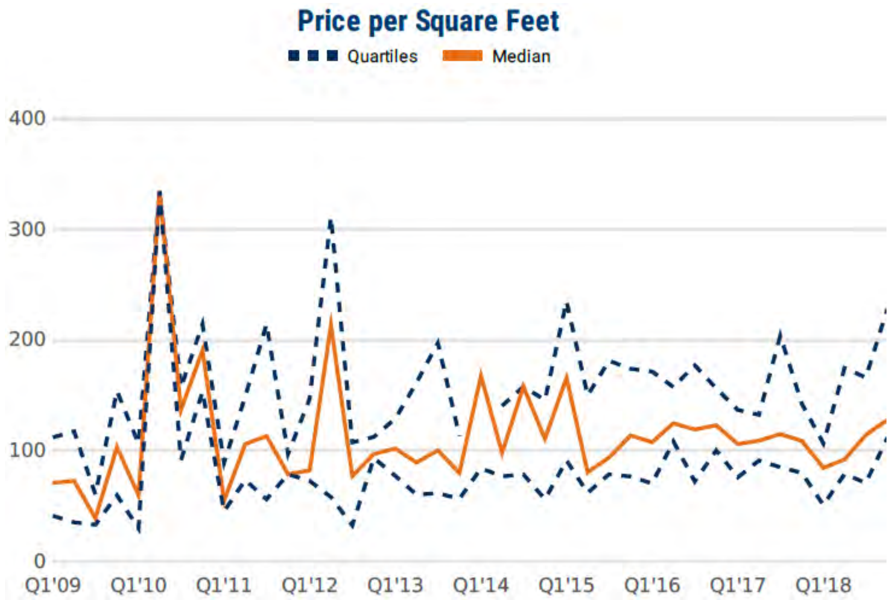
As shown, Class A buildings within the region are exhibiting higher average asking rents ($25.14 per square foot) than Class B/C buildings ($18.36 per square foot). Within the subject submarket, Class A buildings have higher average asking rents than Class B/C buildings ($29.70 per square foot versus $21.22 per square foot).

St. Louis Office Conclusion

Vacancy levels for the St. Louis Office market have decreased since 2013 and are expected to rise from 16.4 percent next year to 16.6 percent in 2022. Over the near term, new construction activity should exceed absorption, and average asking rates are forecasted to range from $21.81 per square foot at the end of next year to $23.01 per square foot in 2022.

St. Louis Office Investment Sales Market

According to Real Capital Analytics, 48 office sale transactions closed in the 12 months ending December 2018, with a total volume of $464 million, averaging a price of approximately $100 per square foot. The 48 buildings total 4.14 million square feet. Capitalization rates were not reported. As shown in the following graphic, prices have generally trended upward since late 2013 and have consistently fallen below the benchmark (United States) averages.



Source: *Real Capital Analytics*

Subject – 101 South Hanley

Location and Description

101 South Hanley is located at 101 S. Hanley Road, Clayton, St. Louis County, MO. The property is situated in the Clayton submarket of the St. Louis Office Market.

The city of Clayton is the site of the St. Louis County Government Center and has over seven million square feet of office space and over one million square feet of retail space. There are approximately 2,000 businesses located in Clayton. The city covers 1,648 acres, has a population of about 16,000 and operates under the Council/Manager form of government. It is estimated that there are more than 46,000 persons employed in the city. Over eighty-one percent of Clayton's real estate is either residential or city parks. Three institutions of higher learning are located in Clayton: Washington University, Fontbonne University and Concordia Seminary.

Clayton is a major employment center for the region. Major employers in the city include Centene Corporation, the St. Louis County government center, Washington University, Brown Shoe Company, Enterprise Rent-A-Car Company, Graybar Electric Company and various law firms and hotels.

The subject is a 19-story, Class A multi-tenant office building that contains 360,505 square feet of rentable area situated on a 75,794 square foot site. The improvements were completed in 1986 and are in good condition. The property offers a full array of amenities, including a fitness center, conference room, upscale steak restaurant (Capital Grille), and an underground parking garage. Common area upgrades and elevator modernization is currently ongoing.

The property is currently 99.44 percent occupied by 61 tenants at an average contract rent of $25.72 per square foot. The three largest tenants are NISA Investment Advisor (18.9%), Ascension Health Alliance (10.0%), and BDO (7.7%) which collectively occupy 36.6 percent of the subject's rentable area. It is noteworthy that Ascension Health Alliance's lease expires in June 2019. The lease expirations are staggered, with the largest percentage of space expiring in Year 6 of our analysis (28.4%). The subject has historically at least matched the market in terms of occupancy and rental rates and is currently outperforming the market.

Transportation and Connectivity

Local area accessibility is good, relying on the following transportation arteries:

Local: The neighborhood has a good network of local thoroughfares. All of the boundary streets are primary thoroughfares in the neighborhood, as is Brentwood Boulevard. These provide easy access to and from the Clayton Business District, the interstate highway system, and other important local destinations. Forest Park Parkway is an elevated limited access arterial in the area.

Regional: Interstate 170 and Interstate 64 are located in close proximity to the subject and serve as primary traffic arteries for St. Louis County and the St. Louis Metropolitan area.

The MetroLink light rail system has stations two blocks west of the subject near Central Avenue and Shaw Park Drive, and two blocks northeast at Forsyth and Forest Park Parkway. The MetroBus system currently provides service to most portions of the St. Louis metropolitan area and is well represented in this portion of St. Louis County. Commercial air service is available from the Lambert-St. Louis International Airport.

Competitive Market Survey – Micro Market

In order to gain a better understanding of the market conditions specific to the subject, we conducted a survey of those buildings that would be considered most competitive to the subject.

Micro Market Snapshot

We have identified office buildings with the following characteristics as being directly competitive with the subject.

- Mid-rise to high-rise office product within Clayton proper
- A- product built between 1980 and 2000

The following table contains the results of a CoStar Group and Cushman & Wakefield survey of existing competitive properties. These buildings are similar in terms of location, physical attributes, and access to amenities:

COMPETITIVE MICRO MARKET

No.	Name	Address	Parking Ratio	Year Built	Stories	RBA (SF)	Direct Vacant SF	% Leased	Ask Rate/SF	Expenses
S	Hanley Corporate Tower	101 S Hanley Road	2.53	1986	19	360,505	2,007	99.5	$30.00	Full Service Gross
1	Bemiston Tower	231 S Bemiston Ave	2.81	1982	14	175,000	10,252	94.1	$27.94	Full Service Gross
2	Park Place	100 S Brentwood Blvd	2.63	1985	5	72,000	0	100.0	-	-
3	PNC Center	120 S Central Ave	2.75	1985	18	299,176	5,173	98.3	$28.50	Full Service Gross
4	7800 Forsyth Building	7800 Forsyth Blvd	3.30	1985	8	108,000	0	100.0	$28.00	Full Service Gross
5	7911 Forsyth Building	7911 Forsyth Blvd	3.00	1985	6	57,543	0	100.0	$26.50	Full Service Gross
6	The Hoffmann Building	8000 Maryland Ave	2.50	1983	15	199,000	599	99.7	$30.00	Full Service Gross
7	Maryland Place	8112 Maryland Ave	2.96	1987	5	80,120	0	100.0	$31.00	Full Service Gross
8	Regions Centre	8182 Maryland Ave	3.30	1986	14	256,983	33,711	86.9	$33.00	Full Service Gross
9	Graybar Bldg	34 N Meramec Ave	3.30	1983	9	83,445	0	100.0	-	-
10	Old Town	150 N Meramec Ave	3.00	1989	6	63,000	1,737	97.2	$26.00	Full Service Gross
11	Old Town	165 N Meramec Ave	3.00	1986	6	62,785	0	100.0	-	Full Service Gross
12	Old Town	168 N Meramec Ave	3.00	1983	4	58,499	0	100.0	-	Full Service Gross
13	Bonhomme Place	7700 Bonhomme Ave	2.45	1989	7	101,327	0	100.0	-	Full Service Gross
OVERALL STATISTICS INCLUDING SUBJECT										
Low:			2.45	1982	4	57,543	0	86.9	$26.00	
High:			3.30	1989	19	360,505	33,711	100.0	$33.00	
Average/Total:			**2.89**	**1985**	**10**	**141,242**	**3,820**	**97.3**	**$28.99**	

FS- 'Full Service Gross'
Source: CoStar Goup, Inc. and Cushman & Wakefield of Illinois, Inc.

MICRO MARKET MAP

We surveyed 14 competitive office buildings within the submarket, including the subject, containing approximately 2.0 million square feet. The average vacancy is approximately 2.7 percent, which is well below the city-wide average of 16.4 percent.

Average asking rates for competitive office space range from $26.00 to $33.00 per square foot, with an average of $28.99 per square foot on an equivalent full service (FS) rental basis. A "full service" lease structure is defined by market participants as tenants responsible for any increases in operating expenses over base year occupancy including real estate taxes, insurance, common area maintenance and utilities. Lease rates include a tenant improvement package ranging from $5.00 to $7.00 per square foot per year of the lease term for new leases, and $1.00 to $3.00 per square foot per year of the lease term for renewal leases. Lease terms typically reflect annual escalations of $0.50 per square foot per year for full service leases. The range in average asking rental rates is primarily based on the property location, the quality and amount of tenant buildout, and other property characteristics.

The subject falls generally in the middle of this set in terms of access to amenities, overall quality/condition, and parking facilities. Accordingly, it commands rents in line with those assumptions.

Market Trends

As reflected by the following table, market trends reflect a decrease in vacancy attributable a strengthening economy and no new additions to the supply.

COMPETITIVE MICRO MARKET TRENDS						
Period	No. of Buildings	Inventory Square Feet	Vacant Available Sq. Ft.	Percent Vacant Available	Net Absorption Sq. Ft.	Average Asking FS Rent PSF
YTD	13	1,615,882	17,994	1.10%	13,755	$29.35
2017	13	1,615,882	62,917	3.90%	7,830	$26.88
2016	13	1,615,882	84,331	5.20%	24,302	$25.55
2015	13	1,615,882	88,812	5.50%	66,250	$25.66
2014	13	1,615,882	174,883	10.80%	41,822	$24.76
2013	13	1,615,882	207,778	12.90%	(52,796)	$24.64

FS- 'Full Service Gross"
Source: CoStar Group, Inc. and Cushman & Wakefield of Illinois, Inc.

As vacancy has declined over the past five years, asking rates have increased accordingly as the amount of available space has dwindled. Occupancy rates are expected to remain high over the next few years as no major additions to the existing office inventory is expected. Centene currently has a 551,000 square foot office under construction but this is not expected to significantly impact the market as it will be owner-occupied expansion space and is not a relocation of space in existing buildings.

Subject's Competitive Market Position

The subject is considered a Class A office property by market participants based on its quality, condition and tenancy. The subject benefits from being located within the upscale Clayton submarket. Clayton has established itself as an alternate CBD location in St. Louis with the highest concentration of high-rise office buildings outside the CBD proper and a large inventory of Class A space. The appeal of "downtown Clayton" as it is known is enhanced by the immediate proximity of supporting restaurant and retail services as well as sought-after upscale housing options.

The subject also benefits from being located near major Interstate highways and public transportation with good accessibility from surrounding markets. The subject's immediate market reflects a competitive supply of available office space with stable rental rates. The subject offers adequate amenities that are attractive to prospective tenants as evidenced by its current tenancy. Thus, based on the subject's locational characteristics, project quality and current tenancy, the subject has a good competitive position in comparison to other comparable buildings within the immediate market.

Micro Market Outlook and Conclusions

The neighborhood is well established as a premier retail and commercial location with nearby highway access and a Metrolink stop. While relatively mature, the character of area development has resulted in continued demand. Because of its destination location, nearby supporting retail services, and good traffic access should enable it to maintain its competitive position over the foreseeable future. In our opinion, the outlook for the neighborhood is for continued strong demand for most types of real estate in the area.

SWOT ANALYSIS

Strengths

- Premier location in the desirable Clayton submarket
- Full set of amenities, including underground parking garage, fitness center, conference room, and on-site restaurant (Capital Grille).
- Strong demand for office space with nearly full occupancy.

Weaknesses

- The subject is 32 years old and requires considerable annual capital expenditures to maintain its position in the market.

Opportunities

- The subject’s in-place contract rent is approximately 6.0 percent below market, providing a degree of upside potential.

Threats

- New development/additions to the supply, specifically the new Centene building which will have approximately 125,000 square feet available for third party leases.

Irving, TX

Introduction

Market Definition

The Dallas-Fort Worth-Arlington Core-Based Statistical Area (Dallas CBSA) is the economic hub of North Central Texas, with one of the highest concentrations of corporate headquarters in the United States. The Dallas CBSA forms a Metroplex spanning 13 counties and approximately 9,700 square miles. According to Experian Marketing Solutions, the Dallas CBSA is home to about 7.4 million residents and comprises of the Fort Worth-Arlington Metropolitan Division and the Dallas-Plano-Irving Metropolitan Division, which hold populations of 2.5 million and 4.9 million, respectively. In the near term, Dallas will continue to be a “market to watch,” according to rankings by both PricewaterhouseCoopers and ULI, behind its booming industry growth and positive market fundamentals.

Demographic Trends

Demographic Characteristics

The Dallas-Fort Worth-Arlington CBSA is home to a young, affluent, well-educated population, outperforming national demographics in every category. Dallas-Fort Worth competes favorably with other world-class metros across the United States. The CBSA’s population supports high-wage industries and raises the median income levels of the region. Another factor that will encourage corporate relocations and expansions is the deep pool of well-trained labor. The proportions of the population with bachelor’s degrees and with graduate degrees are higher than the national averages and growing. Among the largest southern metro areas, only Austin ranks higher in both categories and Atlanta in the graduate category. The resulting in-migration to take new jobs should keep population growth well above the U.S. average.

Points to consider:

- The well-educated population supports increased income levels and the demographics boast a median annual household income of $62,150, higher than the national median income of $56,286.
- At 32.3 percent, the share of the Dallas-Fort Worth-Arlington CBSA’s population holding a Bachelor’s or advanced degree exceeds the national educational attainment level by 2.9 percentage points.

Transportation

The Dallas/Fort Worth region is serviced by expansive air, road, and rail operations. The region serves as a significant transportation hub for the southern region of the United States, both general and commercial. Dallas has partnerships with the Port of Houston and the City of Monterrey, Mexico and also functions as a major inland hub for overseas goods and container traffic. According to the City of Dallas Economic Department, over the next 30 years, intermodal traffic in Dallas will more than double. Dallas has the transportation, utility and communications systems to ensure easy access to markets locally and globally.

Points to consider:

- Love Field Airport is a public airport located 6 miles northwest of Downtown Dallas and the corporate headquarters of Southwest Airlines. The Wright Amendment, which limited non-stop flights from Love Field Airport within Texas and to nearby states, expired in October 2014 at which time Southwest expanded its operations beyond the areas originally restricted by the amendment. In the year following, Love Field customer traffic increased 50.0 percent and to accommodate the increase in volume, the company plans to expand its presence with a new 20-gate concourse, expanded baggage facilities and a $250 million people mover system connecting to DART's Burbank Station, the city's light rail system.
- The Burlington Northern Santa Fe (BNSF) railway, with headquarters in Fort Worth, and Union Pacific railway carry a large presence in the Dallas/Fort Worth region. These are considered the two largest freight railroad networks in North America. The Dallas Logistics Hub and Alliance Airport serve as intermodal terminals for these rail lines.
- A major freeway expansion project on the LBJ Freeway was completed in late 2015, unclogging the region's major traffic arteries. The $2.7 billion infrastructure project expanded a 17-mile stretch of the Freeway to accommodate 360,000 vehicles a day with a new six-lane toll tunnel and eight free lanes above.
- Dallas County and parts of Collin and Rockwall Counties have bus service and light rail operated services by Dallas Area Rapid Transit, (DART), covering thirteen member cities. With the recent completion of projects DART's rail network currently operates 93 miles of track with 64 stations.
- A proposed bullet train connecting Houston and Dallas is in early stages of planning and approval. The economic impact of the train has been projected to the equivalent of hosting 180 Super Bowls. If a final route is approved, construction will start in 2018, with the first trains to start running in 2023. The 240-mile stretch, similar to the high speed rail system in Tokyo, would be privately funded. It would take roughly 77 minutes to get from Houston to Dallas, or 90 minutes with a stop near Bryan-College Station. The train would run every 30 minutes – morning to night, at speeds of 205 miles per hour.

Population

The Dallas-Fort Worth-Arlington CBSA, with about 7.4 million residents, has consistently outpaced the United States in population growth over the past thirty years. The region's rapid population expansion is due, in part, to the popularity of its northern suburbs including Frisco and McKinney and the growth of its "edge cities" where office towers are sprouting across suburban landscapes, according to Forbes. In the near term, Dallas' rapidly expanding business and live, work, play environments will continue to encourage in-migration and the American City Business Journals estimates that the Dallas-Fort Worth's population will rise 53.5 percent in the next 25 years, the seventh largest increase in the country. According to projections issued by American City Business Journals, the Dallas-Fort Worth-Arlington CBSA's is projected to grow 19.7 percent through 2025. The rapid expansion of the region's population will feed its business growth, housing demand and GMP increases in the near term. The arrival of well-paid employees resulting from corporate relocations has lifted demand, contributing to population growth triple the national average.

Further considerations are as follows:

- From 2007 through the close of 2017, the thirteen-county CBSA expanded at an average annual rate of 1.9 percent, more than double the U.S. average of 0.8 percent.
- Population growth in the Dallas CBSA is forecast to average 1.8 percent annually through 2022, 1.2 percentage points ahead of the forecasted national growth rate of 0.6 percent.

The chart below shows annualized population growth by county from 2007 to 2022:

Annualized Population Growth by County Dallas-Fort Worth CBSA 2007-2022						
Population (000's)	**2007**	**2017**	**Forecast 2018**	**Forecast 2022**	**Compound Annual Growth Rate 07-17**	**Compound Annual Growth Rate 18-22**
United States	301,231.2	325,432.5	327,745.1	336,324.0	0.8%	0.6%
Dallas-Fort Worth-Arlington CBSA	**6,081.9**	**7,370.7**	**7,512.5**	**8,082.2**	**1.9%**	**1.8%**
Dallas-Plano-Irving MD	**4,006.1**	**4,884.6**	**4,978.4**	**5,355.4**	**2.0%**	**1.8%**
Collin County	714.3	964.8	990.6	1,094.2	3.1%	2.5%
Dallas County	2,291.9	2,608.9	2,644.2	2,778.5	1.3%	1.2%
Denton County	609.0	828.9	852.5	950.5	3.1%	2.8%
Ellis County	140.0	171.6	174.7	188.8	2.1%	2.0%
Hunt County	84.4	93.1	94.1	98.9	1.0%	1.2%
Kaufman County	95.7	120.8	123.3	134.4	2.4%	2.2%
Rockwall County	70.9	96.5	99.1	109.9	3.1%	2.6%
Fort Worth-Arlington MD	**2,075.8**	**2,486.1**	**2,534.1**	**2,726.8**	**1.8%**	**1.8%**
Hood County	48.9	57.9	59.0	64.1	1.7%	2.1%
Johnson County	145.1	165.6	168.2	179.4	1.3%	1.6%
Parker County	109.4	131.8	134.3	145.3	1.9%	2.0%
Somervell County	8.0	8.9	8.9	9.2	1.0%	0.9%
Tarrant County	1,707.2	2,056.5	2,097.1	2,257.5	1.9%	1.9%
Wise County	57.2	65.4	66.5	71.1	1.3%	1.7%

Source: Data Courtesy of Moody's Analytics, Cushman & Wakefield Valuation & Advisory

Economic Trends

Employment Distribution

The Dallas CBSA's diverse industry mix is led by the trade, transportation & utilities, professional & business services and education & health services employment sectors, which hold a combined 50.2 percent share of total nonfarm payrolls. Over the past decade, every employment sector, save for manufacturing and information, averaged positive annual payroll growth despite the economic downturn from 2008 through 2010. Dallas' ability to weather the national recession has been essential to its industry growth and GMP expansion. The region's concentration of corporate headquarters as well as its sizeable professional & business services and education & health services payrolls, support high-wage employment opportunities and a continual influx of large companies.

Employment sector trends are as follows:

- Over the past ten years from 2007 to 2017, the education & health services industry experienced the largest growth rate of 3.4 percent, compared to the national growth rate of 2.2 percent.
- Over the next five years from 2018 to 2022, every employment sector is expected to grow in the CBSA's. Growth in the construction sector is expected to experience the largest growth of 3.8 percent. Comparatively, the manufacturing sector is expected to experience the smallest growth of 0.1 percent.

Employment Growth

Total nonfarm employment in the Dallas-Fort Worth-Arlington CBSA stood at a little under 3.7 million in November 2017, up 100,400 over the year, according to the U.S. Bureau of Labor Statistics (BLS). From November 2016 to

November 2017, local nonfarm employment rose 2.8 percent, twice the national increase of 1.4 percent. Among the 12 largest metropolitan areas in the county, Dallas ranked first in both the rate of job growth and in the number of jobs added. The Dallas-Fort Worth-Arlington CBSA consists of two metropolitan divisions – separately identifiable employment centers within the larger metropolitan area. Many corporate headquarter relocations have boosted local employment in the area. Dallas' well-diversified local economy is rooted in the trade, transportation and utilities, professional and business services and government sectors. The education, financial services, health services, and leisure and hospitality sectors have similarly demonstrated strong job growth over the past few years, further supporting the local economy.

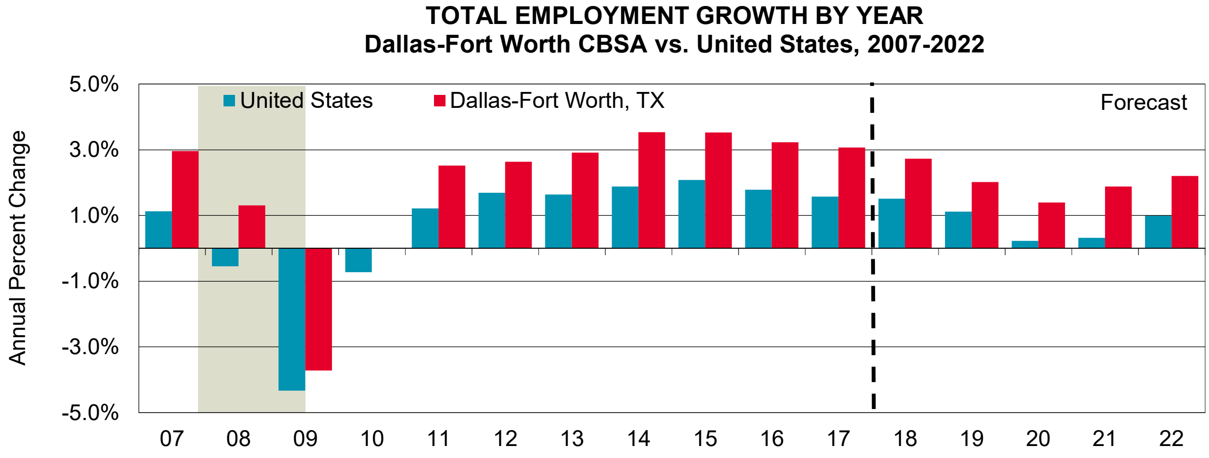
Office development will also remain buoyant even though some sizable projects came on line in the past few years. Specifically, State Farm built out more than 2 million square feet in 2015 and 2016, and Toyota and JPMC combined to build 3 million square feet in 2017. Despite this, the office vacancy rate has risen only slightly, and other projects. Liberty Mutual will complete its regional campus in Plano, which will add 1.0 million square feet and enable the company to house on the order of 5,000 employees. These companies have chosen to expand in or relocate to the DFW area in part because of its well-developed transportation network and lower costs of living and doing business relative to most northern metro areas. Further, the CBSA is in the running to be the site of the second Amazon headquarters, a major upside risk, as the company has stated that 50,000 jobs could be created.

The Metairie, Louisiana based Smoothie King Francizes Inc. is preparing to move its global office to North Texas. The franchises plans to move its corporate operations into roughly 20,000 square feet of office space on the ground floor within the soon-to-be completed Signet Jewelers building adjacent to The Sound at Cypress Waters. The building is slated for completion in spring 2018.

Further considerations are as follows:

- From 2007 to 2017, employment growth occurred in the Dallas-Ft Worth CBSA, averaging 1.8 percent, increasing at an average annual rate that was 1.2 basis points higher than the average national employment growth rate of 0.6 percent.
- The Dallas-Fort Worth-Arlington CBSA retains a high cost of living, relative to other southern markets. However, the CBSA still does not compare to the costs of the Midwest, West Coast or Northeast, which further incentivizes migration to the area.
- Forbes magazine recently ranked Dallas number six on the top ten list of the Best Cities in the U.S. for Business and Careers. The magazine notes the strength of the financial services and manufacturing sectors as primary reasons for Dallas' success.

The following graph compares employment growth per year for the Dallas-Fort Worth-Arlington CBSA and the United States:



Source: Data Courtesy of Moody's Analytics and Cushman & Wakefield Valuation & Advisory
Note: Shaded bars indicate periods of recession

Conclusion

Dallas-Fort Worth-Arlington's location in the growing southwestern region of the United States provides excellent access to both the east and west coasts via its comprehensive transportation network of major interstate highways, rail lines, and air routes. Dallas' costs of living and doing business are in line with the national average, offering an advantage over competing U.S. metros, particularly on the northeast and west coasts. The combination of low taxes, reasonable real estate costs and low gas prices maintain reasonable living and business costs and support in-migration and business relocations. Amidst corporate relocations into the CBSA and significant hiring surges, the regional economy is expected to continue its rapid expansion through the near term.

Further considerations are as follows:

- Dallas-Fort Worth's economy continues to grow at an above-average pace, while unemployment continues to decrease. Gains in the high-tech and healthcare industries are leading the way and residential construction and financial and professional services will also lift the regional expansion.
- Dallas' role as a key hub of economic, financial and trade activity in the center of the country will expand in coming years. Long term, the high concentrations of technology businesses, corporate headquarters, distribution infrastructure, and above-average population growth will contribute to above-average performance.
- The CBSA will continue to grow in 2018, led by gains in housing and professional services. However, the pace will be lower than in the past because the economy is at full employment. Longer term, the concentration of corporate headquarters, technology businesses and financial services as well as population gains will continue to above-average growth.

Dallas Office Market and Las Colinas Office Submarket

Introduction

Reis, Inc. classifies the Dallas Office market into eighteen submarkets, and segregates inventory by type of space (Class A versus Class B/C). The subject lies within the Las Colinas submarket of Dallas.

Submarket Snapshot

The Dallas Office market contains 170,754,000 square feet of space. Plano/Allen is the largest submarket, comprising 17.1 percent of the area's total inventory. Far East Dallas is the smallest submarket with 0.5 percent of total inventory. The subject submarket contains 7,808,000 square feet, or 4.6 percent of the region's inventory.

The following table presents the geographic distribution of inventory, along with other statistical information.

GEOGRAPHIC DISTRIBUTION OF INVENTORY							
Submarket	**Class**	**No. of Buildings**	**Inventory (SF)**	**% Total**	**Vacancy Rate (%)**	**Net Absorption**	**Asking Rent ($/SF)**
Addison/Carrollton/Farmer's Branch	A		17,793,000	10.4	18.9	101,000	$27.76
Addison/Carrollton/Farmer's Branch	B/C		9,939,000	5.8	26.2	-49,000	$18.99
Addison/Carrollton/Farmer's Branch	**A/B/C**	**225**	**27,732,000**	**16.2**	**21.5**	**51,000**	**$24.63**
Dallas Cbd	A		20,051,000	11.7	30.1	25,000	$27.42
Dallas Cbd	B/C		6,313,000	3.7	27.3	-51,000	$18.58
Dallas Cbd	**A/B/C**	**54**	**26,364,000**	**15.4**	**29.4**	**-26,000**	**$25.30**
East Dallas/Near North Central Expy	A		3,218,000	1.9	14.4	32,000	$27.57
East Dallas/Near North Central Expy	B/C		3,785,000	2.2	13.1	2,000	$22.59
East Dallas/Near North Central Expy	**A/B/C**	**48**	**7,003,000**	**4.1**	**13.7**	**35,000**	**$24.91**
Far East Dallas	---		0	0.0	0.0	0	$0.00
Far East Dallas	B/C		711,000	0.4	24.8	-16,000	$18.09
Far East Dallas	**A/B/C**	**17**	**799,000**	**0.5**	**24.8**	**-17,000**	**$18.51**
Flower Mound/Lewisville/Denton	A		1,799,000	1.1	16.2	-28,000	$20.34
Flower Mound/Lewisville/Denton	B/C		2,378,000	1.4	15.6	20,000	$18.20
Flower Mound/Lewisville/Denton	**A/B/C**	**64**	**4,177,000**	**2.4**	**15.9**	**-8,000**	**$19.13**
Irving	A		8,336,000	4.9	19.0	41,000	$24.93
Irving	B/C		5,553,000	3.3	21.7	-55,000	$18.69
Irving	**A/B/C**	**122**	**13,889,000**	**8.1**	**20.1**	**-14,000**	**$22.42**
Las Colinas	A		3,165,000	1.9	14.6	-71,000	$34.42
Las Colinas	B/C		4,643,000	2.7	21.0	93,000	$29.58
Las Colinas	**A/B/C**	**43**	**7,808,000**	**4.6**	**18.4**	**23,000**	**$31.58**
Lbj/North Central Expressway	A		3,871,000	2.3	25.1	-3,000	$21.59
Lbj/North Central Expressway	B/C		4,382,000	2.6	20.2	52,000	$17.09
Lbj/North Central Expressway	**A/B/C**	**54**	**8,253,000**	**4.8**	**22.5**	**49,000**	**$19.21**
North Central Expy/Northeast Dallas	A		2,826,000	1.7	17.4	-14,000	$26.57
North Central Expy/Northeast Dallas	B/C		2,699,000	1.6	15.7	-2,000	$18.55
North Central Expy/Northeast Dallas	**A/B/C**	**60**	**5,525,000**	**3.2**	**16.6**	**-16,000**	**$22.64**
North Dallas	---		0	0.0	0.0	0	$0.00
North Dallas	B/C		2,085,000	1.2	28.4	-18,000	$18.81
North Dallas	**A/B/C**	**37**	**2,847,000**	**1.7**	**25.3**	**-25,000**	**$19.66**
Oaklawn	A		1,012,000	0.6	21.4	-3,000	$30.63
Oaklawn	B/C		487,000	0.3	23.2	0	$18.42
Oaklawn	**A/B/C**	**19**	**1,499,000**	**0.9**	**22.1**	**-4,000**	**$26.68**
Plano/Allen	A		23,919,000	14.0	18.3	234,000	$28.86
Plano/Allen	B/C		5,244,000	3.1	19.6	14,000	$22.47
Plano/Allen	**A/B/C**	**249**	**29,163,000**	**17.1**	**18.5**	**248,000**	**$27.72**
Preston Center	A		2,690,000	1.6	12.1	34,000	$31.36
Preston Center	B/C		436,000	0.3	8.5	0	$26.93
Preston Center	**A/B/C**	**24**	**3,126,000**	**1.8**	**11.6**	**34,000**	**$30.71**
Richardson	A		3,791,000	2.2	30.6	-19,000	$21.16
Richardson	B/C		3,773,000	2.2	17.4	-4,000	$14.17
Richardson	**A/B/C**	**79**	**7,564,000**	**4.4**	**24.0**	**-22,000**	**$17.68**
South Dallas	---		0	0.0	0.0	0	$0.00
South Dallas	B/C		1,306,000	0.8	13.3	-2,000	$18.21
South Dallas	**A/B/C**	**32**	**1,354,000**	**0.8**	**13.1**	**-4,000**	**$18.33**
Stemmons Freeway/Love Field	A		1,841,000	1.1	11.0	-5,000	$25.68
Stemmons Freeway/Love Field	B/C		7,025,000	4.1	36.1	40,000	$15.46
Stemmons Freeway/Love Field	**A/B/C**	**54**	**8,866,000**	**5.2**	**30.9**	**35,000**	**$17.56**
Uptown	A		7,621,000	4.5	14.9	-60,000	$40.36
Uptown	B/C		2,259,000	1.3	26.0	10,000	$27.34
Uptown	**A/B/C**	**57**	**9,880,000**	**5.8**	**17.4**	**-49,000**	**$37.43**
West Lbj Freeway	A		3,160,000	1.9	26.2	-42,000	$32.10
West Lbj Freeway	B/C		1,745,000	1.0	31.5	47,000	$21.29
West Lbj Freeway	**A/B/C**	**24**	**4,905,000**	**2.9**	**28.1**	**5,000**	**$28.27**
Total A	A		105,093,000	61.5	20.8	213,000	$28.36
Total B/C	B/C		64,763,000	37.9	23.4	81,000	$19.71
Total/Average	**A/B/C**	**1262**	**170,754,000**	**100.0**	**21.8**	**294,000**	**$25.09**

Source:

As of third quarter 2018, the overall vacancy rate for the market is 21.8 percent. The subject's Las Colinas submarket has a vacancy rate of 18.4 percent.

The average asking rental rate for all types of space within the market is $25.09 per square foot. The subject's Las Colinas submarket has an average asking rental rate of $31.58 per square foot.

Class A buildings constitute 61.5 percent of existing inventory and are exhibiting a lower vacancy rate (20.8 percent) than Class B/C buildings (23.4 percent) and higher average asking rents of $28.36 versus $19.71 per square foot.

Supply

Inventory and Construction Completions

Between 2013 and 2017 a total of 13,507,000 square feet of space was completed or an average of 2,701,400 square feet per year. No new space was completed as of third quarter 2018. Over the next five years, Reis projects that an additional 8,562,000 square feet will completed the Dallas market.

Within the subject submarket, a total of 100,000 square feet of space was completed between 2013 and 2017. Over the next five years, Reis projects that an additional 88,000 square feet of new space will be completed within the Las Colinas submarket.

The following table presents historical inventory and projected completions for the region and subject submarket.

HISTORICAL AND PROJECTED INVENTORY & COMPLETIONS (SF)

	Dallas					Las Colinas					
Year	Class A	Completions	Class B/C	Completions	Total Completions	Class A	Completions	Class B/C	Completions	Total Completions	% of Region
2013	89,433,000	569,000	63,500,000	0	569,000	3,065,000	0	4,643,000	0	0	0.0%
2014	91,972,000	2,539,000	63,500,000	0	2,539,000	3,065,000	0	4,643,000	0	0	0.0%
2015	94,848,000	3,041,000	64,205,000	0	3,041,000	3,065,000	0	4,643,000	0	0	0.0%
2016	99,381,000	3,992,000	64,792,000	544,000	4,536,000	3,065,000	0	4,643,000	0	0	0.0%
2017	104,132,000	2,822,000	64,813,000	0	2,822,000	3,165,000	100,000	4,643,000	0	100,000	3.5%
3Q18	105,991,000	330,000	64,763,000	0	330,000	3,165,000	0	4,643,000	0	0	0.0%
2018	---	---	---	---	3,185,000	---	---	---	---	0	0.0%
2019	---	---	---	---	1,886,000	---	---	---	---	0	0.0%
2020	---	---	---	---	1,162,000	---	---	---	---	24,000	2.1%
2021	---	---	---	---	1,057,000	---	---	---	---	30,000	2.8%
2022	---	---	---	---	1,272,000	---	---	---	---	34,000	2.7%
2013-2017											
Total Completions		**12,963,000**		**544,000**	**13,507,000**		**100,000**		**0**	**100,000**	
Annual Average		**2,592,600**		**108,800**	**2,701,400**		**20,000**		**0**	**20,000**	**0.7%**

Source: Reis, Inc.

Demand

Vacancy Rates

As shown in the following chart, vacancy rates decreased from 22.6 in 2013 to 21.4 percent in 2017. For third quarter 2018 the vacancy rate stands at 21.8 percent. Over the near term, Reis projects a decline in vacancy levels for Dallas, with vacancy ranging from 22.0 to in 2018 to 21.5 percent in 2022.

Between 2013 and 2017, vacancy rates decreased from 23.0 to 20.3 percent. The current vacancy rate for the submarket is 18.4 percent. Over the near term, Reis is projecting a rise in vacancy for the Las Colinas submarket, with vacancy levels ranging from 18.4 percent in 2018 to 19.9 percent in 2022.

The following table presents historical and projected vacancy rates for the region and subject submarket.

HISTORICAL AND PROJECTED VACANCY RATES (%)						
	Dallas			Las Colinas		
Year	Class A	Class B/C	Total	Class A	Class B/C	Total
2013	20.4	25.6	22.6	15.9	27.7	23.0
2014	20.5	24.9	22.3	21.0	26.1	24.1
2015	20.5	23.8	21.8	20.5	23.5	22.3
2016	20.2	22.7	21.2	18.1	23.4	21.3
2017	20.4	23.2	21.4	13.1	25.2	20.3
3Q18	20.8	23.4	21.8	14.6	21.0	18.4
2018	---	---	22.0	---	---	18.4
2019	---	---	22.0	---	---	18.4
2020	---	---	22.0	---	---	19.0
2021	---	---	21.7	---	---	19.4
2022	---	---	21.5	---	---	19.9

Source: Reis, Inc.
Note: Reis does not differentiate between space that is available directly from the landlord or as a sublease. Any space that is available immediately for leasing (i.e. within 30 days) is considered vacant by Reis' standards.

As shown, Class A buildings within the region are exhibiting a lower vacancy rate (20.8 percent) than Class B/C buildings (23.4 percent). Within the subject submarket, Class A buildings are exhibiting lower vacancies than Class B/C buildings (14.6 percent versus 21.0 percent).

Absorption Trends

Absorption measures change in the level of occupied space in a geographic region over a specific period of time. Absorption is not a measure of leasing activity. It reflects increasing, stable or decreasing demand for space. If the level of occupied space increases from one period to the next, demand has increased. If no change has occurred, demand is stable. If the level of occupied space is lower, demand has decreased. All things being equal, positive absorption lowers vacancy rates and negative absorption increases vacancy rates. A newly constructed building that enters the marketplace vacant will adversely affect the vacancy rate but have no bearing on absorption since it has not altered the level of occupancy.

Over the past few years, new construction activity within the Dallas region has trailed absorption. As shown in the following table, an annual average of 2,701,400 square feet of space was completed in the region between 2013 and 2017, while 3,011,400 square feet was absorbed. Over the next five years, Reis projects that construction will exceed absorption with new construction totaling 8,562,000 square feet, and absorption totaling 6,585,000 square feet.

Between 2013 and 2017, new construction within the Las Colinas submarket trailed absorption, with an annual average of 20,000 square feet completed and 49,800 square feet absorbed. Over the next five years, Reis projects that new construction will not surpass absorption (new construction will total 88,000 square feet, and 106,000 square feet is expected to be absorbed).

The following table presents historical and projected absorption levels and completions for the region and the subject submarket.

HISTORIC AND PROJECTED NET ABSORPTION (SF)

	Dallas				Las Colinas			
Year	Class A	Class B/C	Total Absorption	Total Completions	Class A	Class B/C	Total Absorption	Total Completions
2013	460,000	333,000	787,000	569,000	-98,000	60,000	-39,000	0
2014	1,903,000	459,000	2,364,000	2,539,000	-158,000	74,000	-85,000	0
2015	2,338,000	1,214,000	3,555,000	3,041,000	17,000	121,000	139,000	0
2016	3,905,000	1,141,000	5,045,000	4,536,000	73,000	4,000	77,000	0
2017	3,585,000	-281,000	3,306,000	2,822,000	240,000	-83,000	157,000	100,000
3Q18	213,000	81,000	295,000	330,000	-71,000	93,000	23,000	0
2018	---	---	1,591,000	3,185,000	---	---	148,000	0
2019	---	---	1,465,000	1,886,000	---	---	3,000	0
2020	---	---	901,000	1,162,000	---	---	-29,000	24,000
2021	---	---	1,254,000	1,057,000	---	---	-5,000	30,000
2022	---	---	1,374,000	1,272,000	---	---	-11,000	34,000
2013-2017 Total Absorption	**12,191,000**	**2,866,000**	**15,057,000**	**13,507,000**	**74,000**	**176,000**	**249,000**	**100,000**
Annual Average	**2,438,200**	**573,200**	**3,011,400**	**2,701,400**	**14,800**	**35,200**	**49,800**	**20,000**

Source: Reis, Inc.

Rental Rate Trends

As shown in the following chart, average asking rents in the Dallas region have jumped from $20.54 per square foot in 2013 to $24.58 per square in 2017, indicating a compound annual growth rate (CAGR) of 4.6 percent. In the next five years, average asking rents are expected to increase from $25.27 per square foot in 2018 to $27.80 per square foot in 2022. Currently the average asking rent stands at $25.09 per square foot.

Average asking rental rates in the Las Colinas submarket increased from an average of $22.21 per square foot in 2013 to $30.80 per square foot in 2017, demonstrating a CAGR of 8.5 percent. Over the next five years, average asking rents are expected to increase from $31.72 per square foot in 2018 to $35.72 per square foot in 2022. The current average asking rent stands at $31.58 per square foot.

The following table presents historical and projected average asking rental rates for the region and subject submarket.

Historical and Projected Average Asking Rental Rates ($/SF)

	Dallas					Las Colinas				
Year	Class A	Class B/C	Total	% Change	Effective Rent	Class A	Class B/C	Total	% Change	Effective Rent
2013	$23.33	$16.61	$20.54	3.0	$15.89	$23.23	$21.53	$22.21	3.9	$17.36
2014	$24.84	$17.46	$21.83	6.3	$16.87	$27.27	$25.25	$26.05	17.3	$20.36
2015	$25.83	$18.15	$22.73	4.1	$17.58	$28.58	$26.71	$27.45	5.4	$21.55
2016	$26.95	$18.96	$23.80	4.7	$18.44	$31.42	$28.90	$29.90	8.9	$23.36
2017	$27.79	$19.43	$24.58	3.3	$19.07	$33.05	$29.26	$30.80	3.0	$24.15
3Q18	$28.36	$19.71	$25.09	0.4	$19.44	$34.42	$29.58	$31.58	0.5	$24.82
2018	---	---	$25.27	2.8	$19.55	---	---	$31.72	3.0	$24.89
2019	---	---	$25.87	2.4	$19.94	---	---	$32.70	3.1	$25.69
2020	---	---	$26.49	2.4	$20.35	---	---	$33.66	2.9	$26.50
2021	---	---	$27.14	2.5	$20.81	---	---	$34.68	3.0	$27.37
2022	---	---	$27.80	2.4	$21.24	---	---	$35.72	3.0	$28.26
2013-2017 CAGR	**4.47%**	**4.00%**	**4.59%**			**9.21%**	**7.97%**	**8.52%**		

Source: Reis, Inc.
Notes: CAGR stands for Compound Annual Growth Rate. Asking rents cited by Reis reflect the advertised rental rates for actively marketed space. Effective rents net of any rental concessions, expressed over the life of the lease term. Reis quotes Office rents on a Gross basis.

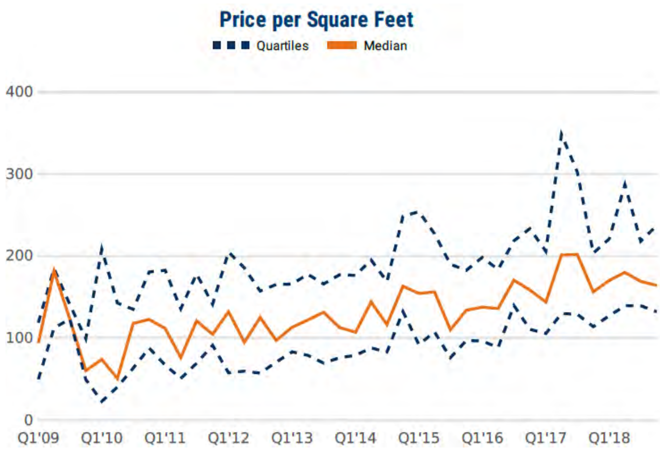
As shown, Class A buildings within the region are exhibiting higher average asking rents ($28.36 per square foot) than Class B/C buildings ($19.71 per square foot). Within the subject submarket, Class A buildings have higher average asking rents than Class B/C buildings ($34.42 per square foot versus $29.58 per square foot).

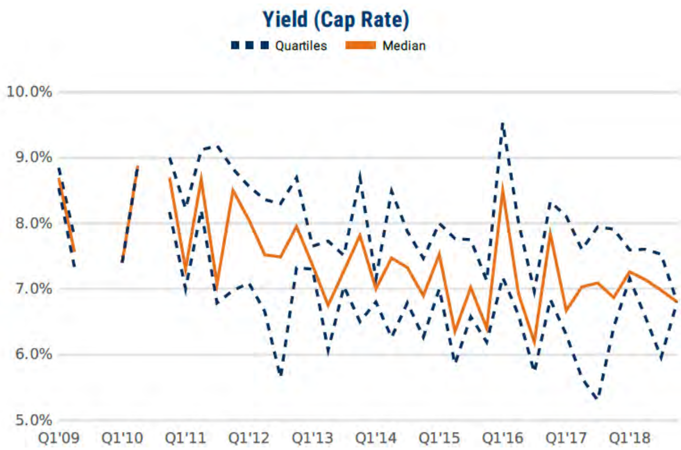
Dallas Office Conclusion

Vacancy levels for the Dallas Office market have decreased since 2013 and are expected to decline from 22.0 percent next year to 21.5 percent in 2022. Over the near term, new construction activity should exceed absorption, and average asking rates are forecasted to range from $25.27 per square foot at the end of next year to $27.80 per square foot in 2022.

Dallas Office Investment Sales Market

According to Real Capital Analytics, 161 office sale transactions closed in the 12 months ending December 2018, with a total volume of $4.34 billion, averaging a price of approximately $258 per square foot. The 161 buildings total 12.9 million square feet. Capitalization rates for this period averaged 7.1 percent, with an average of 7.4 percent reported for the fourth quarter of 2018. As shown in the following graphic, prices have generally trended upward since late 2013 and have consistently fallen below the benchmark (United States) averages. Capitalization rates have trended downward during this period and have generally been above national averages.





Source: *Real Capital Analytics*

Subject – Tower 909

Location and Description

Tower 909 is located at 909 Lake Carolyn Pkwy, Irving, Dallas County, TX. The property is situated in the Las Colinas submarket of the Dallas Office Market. This submarket is part of the Las Colinas master planned development and saw most of its construction completed in the late 80s through the early 90s.

The subject is a 19-story, Class A, multi-tenant office building that contains 374,251 square feet of rentable area situated on a 154,403 square foot site. The improvements were completed in 1984, with renovations completed in 2013-2015 and are in good condition. Parking is provided via an on-site garage. Access is primarily from the east along Lake Carolyn Parkway. The subject backs to Lake Carolyn, a manmade reservoir.

The property is currently 90.9 percent occupied by 69 tenants at an average contract rent of $25.77 per square foot. Major tenants include Medallion (5.7 percent of NLA), Matheson Tri Gas (17 percent of NLA), and Fleur De

Lis Energy (8.1 percent of NLA). Expiration exposure is considered average for the market with approximately 45 percent of the leased area expiring at the end of the first five years.

Transportation and Connectivity

Local area accessibility is generally good, relying on the following transportation arteries:

Local:	The major north/south traffic arteries serving the area include Belt Line Road, Walnut Hill Lane, MacArthur Boulevard, Story Road and O'Connor Boulevard. Irving's centralized location, combined with its excellent traffic system, has helped to facilitate its growth.
Regional:	Located near SH 114 (John Carpenter Freeway), the subject is three miles south of SH 161 (President George Bush Turnpike) and two miles north of Northwest Highway (Loop 12). Farther north of the subject, the major east/west traffic artery serving the area is LBJ Freeway (IH 635). Access through parts of the local market area has been enhanced by the construction of State Highway 161/George Bush Tollway. This multi-lane, limited access roadway has multi-lane frontage roads and extends from Airport Freeway (State Highway 183) northward past John W. Carpenter Freeway (State Highway 114) to LBJ Freeway (IH 635). This tollway extends past LBJ Freeway (IH 635) to intersect with Stemmons Freeway (IH 35E) and ties into State Highway 190/George Bush Tollway, forming part of an outer loop around Dallas County.

Another primary route of access is the DART (Dallas Area Rapid Transit) light rail line. The $1.3-billion, 14-mile expansion of the DART Light Rail Orange Line now connects passengers from downtown Dallas to DFW Airport through five stations in Las Colinas. The City of Irving has created transit oriented development zones around the planned stations along this light-rail line in order to create the vibrancy and high-density of a true urban area.

The Las Colinas Monorail travels in an oval through the Urban Center and connects to the DART Orange line. The subject is one of four APT stations which provides access to the airport and downtown Dallas.

Competitive Market Survey – Micro Market

In order to gain a better understanding of the market conditions specific to the subject, we conducted a survey of those buildings that would be considered most competitive to the subject.

Micro Market Snapshot

We have identified office buildings with the following characteristics as being directly competitive with the subject.

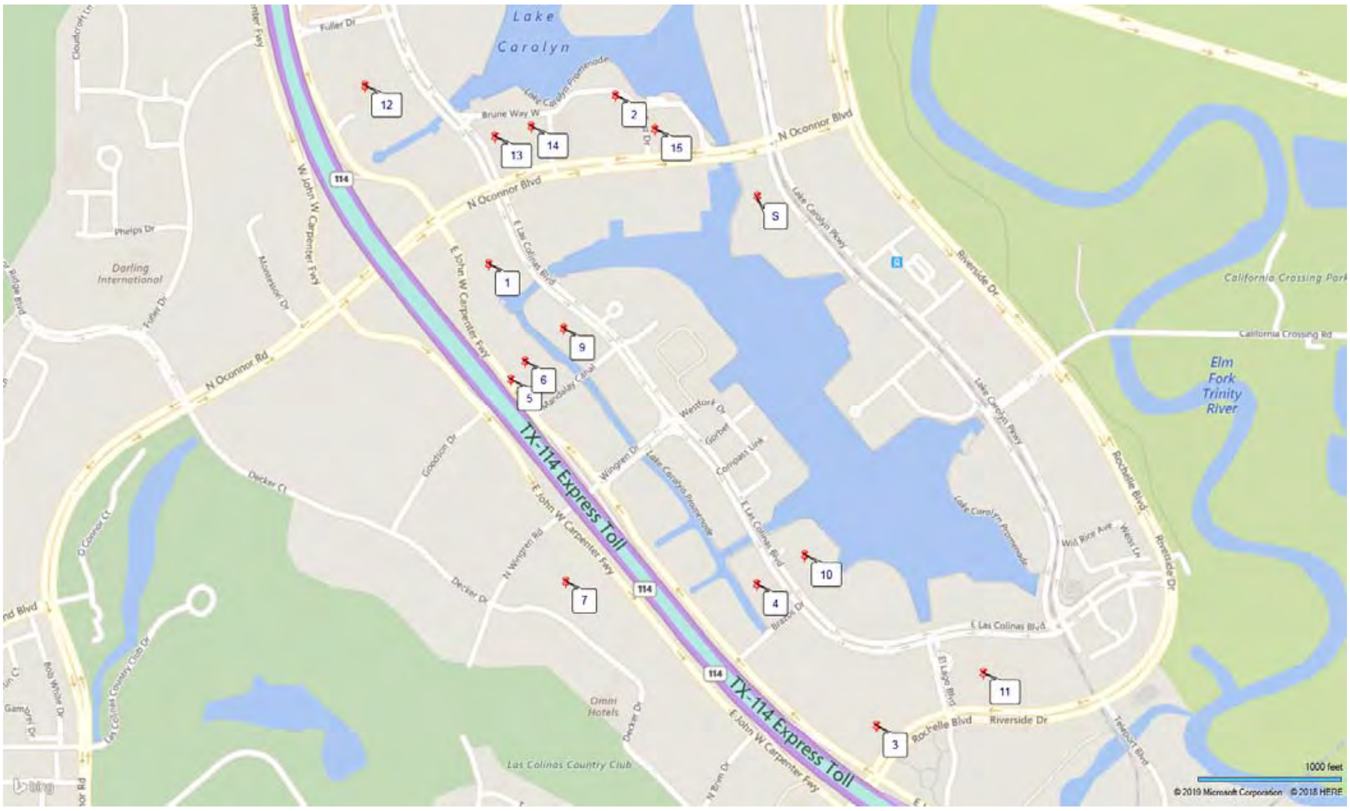
- Mid-rise to high-rise office product in the Urban Center

The following table contains the results of a CoStar Group and Cushman & Wakefield survey of existing competitive properties. These buildings are similar in terms of location, physical attributes, and access to amenities:

Competitive Micro Market - Existing Buildings

No.	Name	Address	Year Built	Stories	RBA	Direct Vacant	Leased	Ask Rate	Exp.	FS+E Equivalent
S	Tower 909	909 Lake Carolyn Pky	1984	19	374,251	32,975	92%	$32.00	FS+E	$32.00
1	One Twenty Five	125 E John Carpenter Fwy	1982	18	401,735	52,347	87%	$29.50	FS+E	$29.50
2	Williams Square - Central Tower	5215 N O'Connor Blvd	1984	26	720,400	76,454	90%	$28.20	NNN	$36.70
3	The Summit at Las Colinas	545 E John Carpenter Fwy	1984	19	375,706	59,272	84%	$30.75	FS+E	$30.75
4	Canal Centre	400 E Las Colinas Blvd	1983	10	237,894	57,174	76%	$27.54	FS+E	$27.54
5	Mandalay Tower 3	201 E John Carpenter Fwy	1979	9	134,592	43,825	67%	$28.50	FS+E	$28.50
6	Mandalay Tower 2	225 E John Carpenter Fwy	1979	16	349,436	34,749	93%	$28.50	FS+E	$28.50
7	The Point at Las Colinas	300 E John Carpenter Fwy	1983	18	403,429	31,060	98%	$26.86	FS+E	$26.86
8	The Music Factory	370 Las Colinas Blvd	2018	4	100,000	0	100%	-	-	
9	Mandalay Tower 1	220 E Las Colinas Blvd	1982	12	325,219	13,175	96%	$28.50	FS+E	$28.50
10	Waterway Tower	433 E Las Colinas Blvd	1982	13	221,941	21,904	90%	$28.37	FS+E	$28.37
11	600 E Las Colinas Blvd	600 E Las Colinas Blvd	1984	22	510,841	142,072	72%	$26.00	FS+E	$26.00
12	The Urban Towers	222 W Las Colinas Blvd	1982	22	848,939	95,328	90%	$33.70	FS+E	$33.70
13	Towers at Wiliams Square	5201 N O'Connor Blvd	1983	5	54,811	22,537	59%	$20.00	NNN	$28.50
14	Williams Square - West Tower	5205 N O'Connor Blvd	1983	14	334,446	0	100%	$27.00	NNN	$35.50
15	Williams Square - East Tower	5221 N O'Connor Blvd	1985	14	363,536	15,104	96%	$26.76	NNN	$35.26
Low:			1979	4	54,811	0	59%	$20.00		$26.00
High:			2018	26	848,939	142,072	100%	$33.70		$36.70
Average/Total:			**1985**	**15**	**5,382,925**	**665,001**	**88%**	**$27.87**		**$30.30**

COMPETITION MAP



We surveyed 16 competitive office buildings within the submarket, including the subject, containing approximately 5.4 million square feet. The average vacancy is approximately 12.4 percent, which is below the city-wide average of 16.4 percent. Rents are shown on an equivalent “full service plus E” basis. This lease structure is defined by market participants as tenants responsible for any increases in operating expenses over base year levels for all operating expenses including real estate taxes, insurance, common area maintenance, excluding only electricity, for which the tenant pays its pro-rata share.

The range in average asking rental rates is primarily based on the property location, the quality and amount of tenant buildout, and other property characteristics. Average asking rates for competitive office space range from approximately $26.00 to $37.00 per square foot, with Williams Square and Urban Towers setting the top of the market. Those properties are of higher quality, and in the case of Urban Towers, superior access to Highway 114 and the new Music Factory amenity. The subject property falls in the next tier of this set in terms of access to amenities, overall quality/condition, appeal, access, visibility and parking facilities. Accordingly, it commands rents in line with those assumptions in the upper $20s to low $30s per square foot.

Lease rates include a tenant improvement package ranging from $4.00 to $6.00 per square foot per year of the lease term for new leases, and none (As Is) to $3.00 per square foot per year of the lease term for renewal leases. Leases typically have $0.50 per square foot annual escalations.

Market Trends

As reflected by the following table, market trends reflect increasing rental rates and a general tightening in occupancy since the peak of the Great Recession.

COMPETITIVE MICRO MARKET TRENDS							Deliveries		Under Construction	
Period	No. of Buildings	Inventory Square Feet	Vacant Available Sq. Ft.	Percent Vacant Available	Net Absorption Sq. Ft.	Average Asking FS Rent PSF	No. of Bldgs.	Rentable Sq. Ft.	No. of Bldgs.	Rentable Sq. Ft.
YTD	16	5,757,176	786,642	13.70%	(5,616)	$33.15	0	0	0	0
2018	16	5,757,176	768,544	13.30%	51,670	$32.89	1	100,000	0	0
2017	15	5,657,176	730,679	12.90%	(88,514)	$32.13	0	0	1	100,000
2016	15	5,657,176	666,480	11.80%	71,168	$29.18	0	0	1	100,000
2015	15	5,657,176	746,021	13.20%	83,897	$27.44	0	0	0	0
2014	15	5,657,176	803,509	14.20%	103,083	$26.96	0	0	0	0
2013	15	5,657,176	756,233	13.40%	(127,895)	$24.82	0	0	0	0
2012	15	5,657,176	690,715	12.20%	40,552	$23.20	0	0	0	0
2011	15	5,657,176	898,100	15.90%	266,944	$22.36	0	0	0	0
2010	15	5,657,176	1,146,274	20.30%	(54,570)	$22.01	0	0	0	0
2009	15	5,657,176	1,129,448	20.00%	(59,756)	$22.27	0	0	0	0

FS- 'Full Service Gross"
Source: CoStar Group, Inc. and Cushman & Wakefield of Texas, Inc.

There are abundant amenities (Music Factory, Water Street, Convention Center and hotel, retail and restaurant amenities) and multi-family housing in the immediate area, with more under construction. The economic boom in Dallas has continue to increase office-using employment, and office product throughout this corporate node has benefitted in terms of positive absorption.

Subject’s Competitive Market Position

The subject is considered a Class A office complex by market participants based on its quality, condition and tenancy. Most of the local inventory was developed in the 1980s. The newest construction was a speculative multi-tenant building at the Music Factory that was fully leased by a single tenant prior to completion, which is a testament to the demand that these additional developments are creating.

The subject benefits from being located within a well-established corporate headquarters destination. The subject also benefits from being located near major thoroughfares and public transportation with good accessibility from surrounding markets and excellent proximity to DFW Airport, another demand generator. Based on the subject’s locational characteristics, project quality, walkability to amenities and current tenancy, the subject has a good competitive position in comparison to other comparable buildings within the immediate market.

Micro Market Outlook and Conclusions

The Urban Center micro market is supported by a variety of existing and future demand generators, such as desirable “lifestyle” amenities, easy freeway access, and proximity to DFW Airport. The abundance of new multi-family housing will contribute to the ability to work-life-play in the subject’s immediate area. There is some new office supply, but it is has been restrained thus far in the cycle. This lack of new supply will keep the market relatively tight over the long term, although there will be some movement to the limited new product that does get built (such as Pioneer moving to Hidden Ridge). Occupancy and rental rates should continue to slightly outperform Dallas averages. Considering these factors, the overall outlook for the submarket, as well as the subject within the competitive set, is good on both long and short-term horizons.

SWOT ANALYSIS

Strengths

- The Dallas-Fort Worth region has been among the nation’s fastest growing areas, resulting in significant job and population growth. This trend continues today for both the region and for Irving specifically. This positively impacts demand for office buildings, including the subject, on a macro basis.
- The primary market area has recorded significant rent spikes in recent years and is still improving.
- The submarket benefits from high-income demographics in the immediate area.
- The property is operating at a stabilized occupancy level over 90 percent.
- The property is of excellent quality and good condition, and has recent updating.
- On-site amenities are strong and include a fitness center, café, conference center, tenant lounge and shuttle to Water Street and Music Factory.
- The subject has good visibility from its location on Lake Carolyn Parkway.
- There is limited new office construction in the area

Weaknesses

- The property lacks Highway 114 frontage.
- The property has a heavy tax burden because of its location in DCURD.
- The property lacks any significant investment-grade tenant credit.

Opportunities

- The subject is located in Urban Center, a transit-oriented office complex in an affluent area of Irving, Texas
- The location is near the Music Factory and Water Street mixed-use developments
- The local area is proximate to DFW Airport, a major demand generator
- The Urban Center and local area are in a renewed growth phase with multi-family, amenity, and hospitality construction underway

Threats

- There is abundant competitive supply in the Micro market.

San Antonio, TX

Introduction

Market Definition

The San Antonio Core-Based Statistical Area (San Antonio CBSA) is located in south central Texas and includes the eight counties of Bexar, Guadalupe, Comal, Atascosa, Medina, Wilson, Kendall, and Bandera. The city is located in the American Southwest and the south central part of Texas, where rolling plains and coastal plains meet. It serves as the seat of Bexar County and is located along the banks of the San Antonio River. With the Edwards Plateau to the northwest and the Gulf Coastal Plains to the southeast, the city's terrain is dotted with oak trees, mesquite, and cacti, which thrive under the clear and partly cloudy skies that prevail more than 60 percent of the time. San Antonio has characteristics of many western cities in that it has a much lower population density outside of the city. The region's population is concentrated in Bexar County, which contains roughly 80.0 percent of the metro area's population of more than 2.4 million. The city of San Antonio, located in Bexar County, is the largest incorporated area within the CBSA.

Demographic Trends

Demographic Characteristics

With regard to demographic characteristics, San Antonio lags the U.S. in educational attainment and affluence. However, the CBSA is closing the gap in those demographic characteristics and should continue to fuel migration trends to the area moving forward. The lack of an educated workforce has been a downside when considering the strong aerospace ties the city possesses that could generate thousands of high-paying jobs. Despite having low business costs, San Antonio's small concentration of aircraft engineers lowers the likelihood of getting awarded aerospace projects. Recently, rising wage and salary income offers a more positive outlook for local industries.

Further considerations are as follows:

- Of San Antonio's population, only 26.2 percent possess a Bachelor's degree or higher, leaving nearly almost three-quarters of the population below that educational level.
- Recently, rising wage and salary income offers a more positive outlook for local industries. The unemployment rate has stayed below 4.0 percent for almost two years now, amid sold growth in the labor force. Wage rates have accelerated, up more than 8.0 percent year-over-year because of low unemployment.

Population

Differences between San Antonio and the United States arise when analyzing overall population growth. A high quality of life supported by high housing affordability and low costs of doing business contributes to the above-average population growth. The growth in population spiked at 3.2 percent in 2006. The increased growth was due in part to increased employment opportunities in the manufacturing sector. Since then, population continued to grow at a rate closer to 2.0 percent. Looking forward, population gains will slow to below 2.0 percent but are expected to remain above the U.S. average. San Antonio's growth should stay strong due to the strong regional economy, based in military and government, which supports job opportunities and the low costs of doing business.

Further considerations are as follows:

- The San Antonio CBSA grew at an average annual rate of 2.1 percent over the ten year period between 2007 and 2017. By comparison, the population of the U.S. grew at a more modest average rate of 0.8 percent per year.
- San Antonio is projected to see slightly slower population growth in the future. From 2018 to 2022, the population in San Antonio is expected to grow by 1.6 percent annually, compared to an average annual growth rate of 0.6 percent for the U.S. over the same time period.

The following table details the population trends within the San Antonio CBSA and the United States:

Annualized Population Growth by County
San Antonio CBSA
2007-2022

Population (000's)	2007	2017	Forecast 2018	Forecast 2022	Compound Annual Growth Rate 07-17	Compound Annual Growth Rate 18-22
United States	301,231.2	325,432.5	327,745.1	336,324.0	0.8%	0.6%
San Antonio, TX	**2,011.5**	**2,469.2**	**2,509.5**	**2,669.9**	**2.1%**	**1.6%**
Atascosa County	43.6	49.3	49.8	51.7	1.2%	0.9%
Bandera County	20.3	21.9	22.1	22.9	0.8%	0.9%
Bexar County	1,615.2	1,958.1	1,987.8	2,104.3	1.9%	1.4%
Comal County	99.5	138.5	142.4	159.2	3.4%	2.8%
Guadalupe County	117.7	158.7	162.1	175.7	3.0%	2.0%
Kendall County	30.3	43.8	45.2	51.0	3.8%	3.1%
Medina County	44.6	49.7	50.1	51.9	1.1%	0.9%
Wilson County	40.4	49.2	50.0	53.3	2.0%	1.6%

Source: Data Courtesy of Moody's Analytics, Cushman & Wakefield Valuation & Advisory

Economic Trends

Employment Distribution

San Antonio's employment base is diverse, with government, trade, transportation and utilities, and education and health services among the top employment sectors. The above-average gains in average hourly earnings bode well for the local economy. Just as nationally, the explanation for the acceleration is the tightening labor market. The CBSA will especially benefit because many of its workers in recent years have not had meaningful pay increases. Now the combination of job growth and wage increases will lift household incomes significantly. The effect will be to boost personal service industries. The chances of higher defense spending under the current administration is an upside risk.

Military-related activity will be another driver of construction over the coming year. Lackland Air Force Base is the home of Air Force basic training, and the number of active-duty recruits has risen by nearly a third in the past two years. This is the biggest increase since the Vietnam War era, and consequently the Air Education and Training Command is planning to expand facilities: The aim is to build and/or modernize a number of dormitories and training complexes.

Further considerations are as follows:

- San Antonio’s employment base is heavily weighted in the construction, natural resources and mining, financial and military services sectors. This is primarily due to the above-average concentration of military installations, continuous population growth as well as income gains in San Antonio and the nation that drive the metro area’s service industries.
- First, as a military hub, the metro area has an expanding population of retired soldiers and their families. Second, the area is home to Fort Sam Houston, one of the national centers for military medical care, training and research. The following graph shows San Antonio’s employment by sector compared to the U.S.

Employment Growth

In 2014, the San Antonio economy expanded at a pace slower than that of other Texas metro area, at a pace roughly equal to the national average. Job growth slowed in the middle of 2016, falling below the national average for the first time in more than a decade, likely due to a drop-off in private sector hiring but accelerated in the second half of the year. The San Antonio CBSA saw slower employment growth through 2016 but the job growth surge in December of 2016 was a positive indication for 2017. According to the Bureau of Labor Statistics, the San Antonio CBSA added 37,594 jobs in the twelve months ending in December 2017, adding 7,465 of these in December.

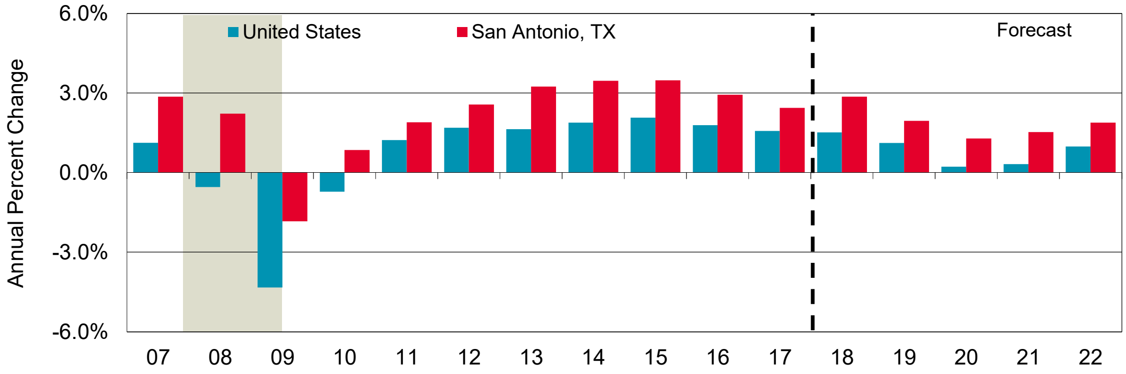
Rising enrollment at the local branch of the University of Texas will support the San Antonio CBSA in several ways. Total enrollment is up approximately 7.0 percent cumulatively over the past four years. The direct effect is the increased demand for staff as well as a variety of personal services for students. The longer-term indirect effect is that the quality of the local labor force will improve further, potentially enabling the metro area to attract more new employers. Since 2006, the proportion of adults with a college degree has increased by 4.0 percentage points. This has already helped the metro area to begin to close the gap in per capita income with other major Texas metro areas. Manufacturing has been weak recently but should grow over the coming year. As drilling in Eagle Ford rises, so will production of locally made related equipment and supplies. Oil prices have risen $20 per barrel since August 2017 on firming global growth, Mideast tension, and efforts by OPEC to reduce supply. Non-energy manufacturing will also rise. For example, in Seguin, auto-related companies such as Continental AG and GW Plastics have expanded their operations.

Further considerations are as follows:

- Between 2007 and 2017, San Antonio total employment expanded at a 2.1 percent annualized rate, solidly above the 0.6 percent annualized expansion recorded for U.S. employment overall.
- Total employment growth in San Antonio is forecast at an annualized rate of 1.7 percent between 2018 and 2022, compared to a 0.7 percent annual rate forecasted for the U.S. as a whole.

The following graph compares employment growth per year for the San Antonio CBSA and the United States:

TOTAL EMPLOYMENT GROWTH BY YEAR
San Antonio CBSA vs. United States, 2007-2022



Source: Data Courtesy of Moody's Analytics and Cushman & Wakefield Valuation & Advisory
Note: Shaded bars indicate periods of recession

Conclusion

San Antonio's economy is expected to perform well through 2018 and will likely see above average growth in the near future. The San Antonio CBSA will grow at an above-average pace over the coming year, led by construction, defense-related activity, education, and manufacturing. The large military concentration poses further upside risks as the current administration boosts defense spending. Longer term, the metro area's above-average population gains, low costs of doing business, and relatively high housing affordability should contribute to above-average overall performance.

Further considerations are as follows:

- San Antonio continues to perform relatively well in job creation. The San Antonio area benefits from a favorable location for regional and international trade, has adequate infrastructure, and lower than average cost of living and business costs.
- Tourism, specifically related to the Alamo, the River Walk, and proximity to Mexico, military spending and consolidation, and the healthcare industry will continue to be stabilizing factors for San Antonio. The CBSA's strategic location is essential for expanding trade and distribution industries in the Southwest.
- Population growth and household formations are expected to occur at a higher than average pace, while income levels are expected to increase marginally. As the single-family housing market improves, it will contribute to better job and income gains.

San Antonio Office Market and West Office Submarket

Introduction

Reis, Inc. classifies the San Antonio Office market into five submarkets, and segregates inventory by type of space (Class A versus Class B/C). The subject lies within the West submarket of San Antonio.

Submarket Snapshot

The San Antonio Office market contains 30,163,000 square feet of space. West is the largest submarket, comprising 33.3 percent of the area's total inventory. South is the smallest submarket with 1.3 percent of total inventory. The subject submarket contains 10,059,000 square feet, or 33.3 percent of the region's inventory. The West submarket is generally defined as the areas southwest / west of Interstate 10 and Northwest Military Highway, north of US 90 and south and east of the Bexar County Line.

WEST SUBMARKET

The following table presents the geographic distribution of inventory, along with other statistical information.

GEOGRAPHIC DISTRIBUTION OF INVENTORY							
Submarket	**Class**	**No. of Buildings**	**Inventory (SF)**	**% Total**	**Vacancy Rate (%)**	**Net Absorption**	**Asking Rent ($/SF)**
Central Business District	A		2,186,000	7.2	11.3	5,000	$24.74
Central Business District	B/C		2,213,000	7.3	21.7	-1,000	$21.09
Central Business District	**A/B/C**	**55**	**4,399,000**	**14.6**	**16.5**	**4,000**	**$22.92**
Northeast	A		2,648,000	8.8	13.6	5,000	$27.69
Northeast	B/C		3,267,000	10.8	16.5	-58,000	$19.80
Northeast	**A/B/C**	**111**	**5,915,000**	**19.6**	**15.2**	**-53,000**	**$23.30**
Northwest	A		4,462,000	14.8	10.5	41,000	$23.06
Northwest	B/C		4,947,000	16.4	16.2	-32,000	$20.55
Northwest	**A/B/C**	**147**	**9,409,000**	**31.2**	**13.5**	**10,000**	**$21.77**
South	---		0	0.0	0.0	0	$0.00
South	B/C		295,000	1.0	17.3	2,000	$21.17
South	**A/B/C**	**22**	**381,000**	**1.3**	**21.5**	**13,000**	**$21.41**
West	A		4,561,000	15.1	17.4	5,000	$24.06
West	B/C		5,498,000	18.2	17.2	35,000	$18.79
West	**A/B/C**	**153**	**10,059,000**	**33.3**	**17.3**	**40,000**	**$21.19**
Total A	A		13,857,000	45.9	13.6	66,000	$24.53
Total B/C	B/C		16,220,000	53.8	17.4	-54,000	$19.89
Total/Average	**A/B/C**	**488**	**30,163,000**	**100.0**	**15.6**	**12,000**	**$22.04**

Source:

As of third quarter 2018, the overall vacancy rate for the market is 15.6 percent. The subject's West submarket has a vacancy rate of 17.3 percent.

The average asking rental rate for all types of space within the market is $22.04 per square foot. The subject's West submarket has an average asking rental rate of $21.19 per square foot.

Class A buildings constitute 45.9 percent of existing inventory and are exhibiting a lower vacancy rate (13.6 percent) than Class B/C buildings (17.4 percent) and higher average asking rents of $24.53 versus $19.89 per square foot.

Supply

Inventory and Construction Completions

Between 2013 and 2017 a total of 2,041,000 square feet of space was completed or an average of 408,200 square feet per year. No new space was completed as of third quarter 2018. Over the next five years, Reis projects that an additional 2,434,000 square feet will completed the San Antonio market.

Within the subject submarket, a total of 1,182,000 square feet of space was completed between 2013 and 2017. Over the next five years, Reis projects that an additional 555,000 square feet of new space will be completed within the West submarket.

The following table presents historical inventory and projected completions for the region and subject submarket.

HISTORICAL AND PROJECTED INVENTORY & COMPLETIONS (SF)

	San Antonio					West					
Year	Class A	Completions	Class B/C	Completions	Total Completions	Class A	Completions	Class B/C	Completions	Total Completions	% of Region
2013	12,231,000	59,000	16,737,000	170,000	229,000	3,597,000	15,000	5,417,000	103,000	118,000	51.5%
2014	12,437,000	206,000	16,657,000	0	206,000	3,726,000	129,000	5,417,000	0	129,000	62.6%
2015	13,294,000	803,000	16,566,000	0	803,000	4,037,000	311,000	5,398,000	0	311,000	38.7%
2016	13,257,000	142,000	16,133,000	0	142,000	4,079,000	42,000	5,398,000	0	42,000	29.6%
2017	13,818,000	561,000	16,220,000	100,000	661,000	4,561,000	482,000	5,498,000	100,000	582,000	88.0%
3Q18	13,943,000	0	16,220,000	0	0	4,561,000	0	5,498,000	0	0	0.0%
2018	---	---	---	---	437,000	---	---	---	---	163,000	37.3%
2019	---	---	---	---	1,204,000	---	---	---	---	205,000	17.0%
2020	---	---	---	---	283,000	---	---	---	---	51,000	18.0%
2021	---	---	---	---	275,000	---	---	---	---	65,000	23.6%
2022	---	---	---	---	235,000	---	---	---	---	71,000	30.2%
2013-2017											
Total Completions		**1,771,000**		**270,000**	**2,041,000**		**979,000**		**203,000**	**1,182,000**	
Annual Average		**354,200**		**54,000**	**408,200**		**195,800**		**40,600**	**236,400**	**57.9%**

Source: Reis, Inc.

Demand

Vacancy Rates

As shown in the following chart, vacancy rates decreased from 18.1 in 2013 to 15.9 percent in 2017. For third quarter 2018 the vacancy rate stands at 15.6 percent. Over the near term, Reis projects a rise in vacancy levels for San Antonio, with vacancy ranging from 15.8 to in 2018 to 18.6 percent in 2022.

Between 2013 and 2017, vacancy rates decreased from 19.8 to 18.2 percent. The current vacancy rate for the submarket is 17.3 percent. Over the near term, Reis is projecting a rise in vacancy for the West submarket, with vacancy levels ranging from 17.8 percent in 2018 to 18.2 percent in 2022.

The following table presents historical and projected vacancy rates for the region and subject submarket.

HISTORICAL AND PROJECTED VACANCY RATES (%)

	San Antonio			West		
Year	Class A	Class B/C	Total	Class A	Class B/C	Total
2013	17.6	18.5	18.1	23.3	17.5	19.8
2014	17.7	17.0	17.3	21.2	15.6	17.9
2015	19.5	17.3	18.3	20.9	16.0	18.1
2016	14.4	16.9	15.8	17.9	15.8	16.7
2017	14.5	17.2	15.9	18.7	17.8	18.2
3Q18	13.6	17.4	15.6	17.4	17.2	17.3
2018	---	---	15.8	---	---	17.8
2019	---	---	16.8	---	---	18.2
2020	---	---	17.3	---	---	18.2
2021	---	---	17.9	---	---	18.2
2022	---	---	18.6	---	---	18.2

Source: Reis, Inc.
Note: Reis does not differentiate between space that is available directly from the landlord or as a sublease. Any space that is available immediately for leasing (i.e. within 30 days) is considered vacant by Reis' standards.

As shown, Class A buildings within the region are exhibiting a lower vacancy rate (13.6 percent) than Class B/C buildings (17.4 percent). Within the subject submarket, Class A buildings are exhibiting higher vacancies than Class B/C buildings (17.4 percent versus 17.2 percent).

Absorption Trends

Absorption measures change in the level of occupied space in a geographic region over a specific period of time. Absorption is not a measure of leasing activity. It reflects increasing, stable or decreasing demand for space. If the level of occupied space increases from one period to the next, demand has increased. If no change has occurred, demand is stable. If the level of occupied space is lower, demand has decreased. All things being equal, positive absorption lowers vacancy rates and negative absorption increases vacancy rates. A newly constructed building that enters the marketplace vacant will adversely affect the vacancy rate but have no bearing on absorption since it has not altered the level of occupancy.

Over the past few years, new construction activity within the San Antonio region has exceeded absorption. As shown in the following table, an annual average of 408,200 square feet of space was completed in the region between 2013 and 2017, while 403,000 square feet was absorbed. Over the next five years, Reis projects that construction will exceed absorption with new construction totaling 2,434,000 square feet, and absorption totaling 1,168,000 square feet.

Between 2013 and 2017, new construction within the West submarket outpaced absorption, with an annual average of 236,400 square feet completed and 209,800 square feet absorbed. Over the next five years, Reis projects that new construction will surpass absorption (new construction will total 555,000 square feet, and 454,000 square feet is expected to be absorbed).

The following table presents historical and projected absorption levels and completions for the region and the subject submarket.

HISTORIC AND PROJECTED NET ABSORPTION (SF)

	San Antonio				West			
Year	Class A	Class B/C	Total Absorption	Total Completions	Class A	Class B/C	Total Absorption	Total Completions
2013	121,000	373,000	494,000	229,000	-203,000	252,000	50,000	118,000
2014	158,000	174,000	331,000	206,000	176,000	101,000	277,000	129,000
2015	462,000	-126,000	338,000	803,000	258,000	-37,000	221,000	311,000
2016	652,000	-287,000	363,000	142,000	156,000	11,000	167,000	42,000
2017	467,000	22,000	489,000	661,000	360,000	-25,000	334,000	582,000
3Q18	66,000	-54,000	14,000	0	5,000	35,000	40,000	0
2018	---	---	424,000	437,000	---	---	180,000	163,000
2019	---	---	686,000	1,204,000	---	---	124,000	205,000
2020	---	---	76,000	283,000	---	---	36,000	51,000
2021	---	---	36,000	275,000	---	---	61,000	65,000
2022	---	---	-54,000	235,000	---	---	53,000	71,000
2013-2017 Total Absorption	**1,860,000**	**156,000**	**2,015,000**	**2,041,000**	**747,000**	**302,000**	**1,049,000**	**1,182,000**
Annual Average	**372,000**	**31,200**	**403,000**	**408,200**	**149,400**	**60,400**	**209,800**	**236,400**

Source: Reis, Inc.

Rental Rate Trends

As shown in the following chart, average asking rents in the San Antonio region have jumped from $20.34 per square foot in 2013 to $21.88 per square in 2017, indicating a compound annual growth rate (CAGR) of 1.8 percent. In the next five years, average asking rents are expected to increase from $22.25 per square foot in 2018 to $24.04 per square foot in 2022. Currently the average asking rent stands at $22.04 per square foot.

Average asking rental rates in the West submarket increased from an average of $19.55 per square foot in 2013 to $21.39 per square foot in 2017, demonstrating a CAGR of 2.3 percent. Over the next five years, average asking rents are expected to increase from $21.53 per square foot in 2018 to $23.35 per square foot in 2022. The current average asking rent stands at $21.19 per square foot.

The following table presents historical and projected average asking rental rates for the region and subject submarket.

Historical and Projected Average Asking Rental Rates ($/SF)

	San Antonio					West				
Year	**Class A**	**Class B/C**	**Total**	**% Change**	**Effective Rent**	**Class A**	**Class B/C**	**Total**	**% Change**	**Effective Rent**
2013	$23.29	$18.19	$20.34	1.2	$16.26	$22.95	$17.29	$19.55	0.5	$16.06
2014	$23.33	$18.43	$20.52	0.9	$16.41	$23.04	$17.55	$19.79	1.2	$16.27
2015	$23.29	$18.70	$20.74	1.1	$16.61	$23.24	$17.97	$20.22	2.2	$16.68
2016	$23.54	$18.90	$20.99	1.2	$16.85	$23.28	$18.12	$20.34	0.6	$16.78
2017	$24.44	$19.70	$21.88	4.2	$17.61	$24.37	$18.92	$21.39	5.2	$17.68
3Q18	$24.53	$19.89	$22.04	-0.1	$17.74	$24.06	$18.79	$21.19	-0.4	$17.53
2018	---	---	$22.25	1.7	$17.90	---	---	$21.53	0.7	$17.80
2019	---	---	$22.69	2.0	$18.17	---	---	$21.88	1.6	$18.01
2020	---	---	$23.13	1.9	$18.43	---	---	$22.32	2.0	$18.26
2021	---	---	$23.59	2.0	$18.73	---	---	$22.83	2.3	$18.56
2022	---	---	$24.04	1.9	$19.05	---	---	$23.35	2.3	$18.92
2013-2017 CAGR	**1.21%**	**2.01%**	**1.84%**			**1.51%**	**2.28%**	**2.27%**		

Source: Reis, Inc.

Notes: CAGR stands for Compound Annual Growth Rate. Asking rents cited by Reis reflect the advertised rental rates for actively marketed space. Effective rents net of any rental concessions, expressed over the life of the lease term. Reis quotes Office rents on a Gross basis.

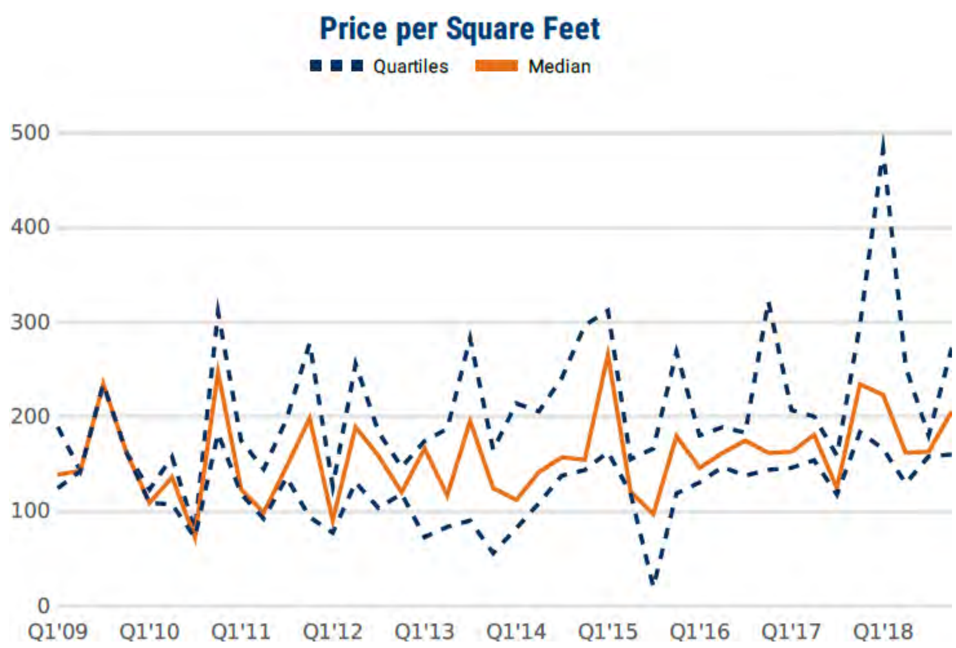
As shown, Class A buildings within the region are exhibiting higher average asking rents ($24.53 per square foot) than Class B/C buildings ($19.89 per square foot). Within the subject submarket, Class A buildings have higher average asking rents than Class B/C buildings ($24.06 per square foot versus $18.79 per square foot).

San Antonio Office Conclusion

Vacancy levels for the San Antonio Office market have decreased since 2013 and are expected to rise from 15.8 percent next year to 18.6 percent in 2022. Over the near term, new construction activity should exceed absorption, and average asking rates are forecasted to range from $22.25 per square foot at the end of next year to $24.04 per square foot in 2022.

San Antonio Office Investment Sales Market

According to Real Capital Analytics, 45 office sale transactions closed in the 12 months ending December 2018, with a total volume of $761 million, averaging a price of approximately $108 per square foot. The 45 buildings total 4.0 million square feet. Capitalization rates were not reported by RCA. As shown in the following graphic, prices have generally trended downward since late 2013 and have consistently fallen below the benchmark (United States) averages.



Source: *Real Capital Analytics*

Subject – Promenade I & II

Location and Description

Promenade I & II is located at 17802 & 17806 IH-10 W, San Antonio, Bexar County, TX. The property is situated in the West submarket of the San Antonio Office Market. More specifically, the property is located in the northwest quadrant of Interstate 10 and Loop 1604 within the Eilan mixed use development near La Cantera.

The subject is a 2-building, 4-story, Class A, multi-tenant office property that contains 205,773 square feet of rentable area situated on a 272,766 square foot site. The improvements were completed in 2011 and are in good condition. The subject is considered to be arguably the highest quality office building constructed in San Antonio in the last 20 years. The high-end finishes, coupled with the proximity to retail, restaurant and hotel services in Eilan provide the subject with a competitive advantage over other Class A office buildings in the market area. The subject's strong rental rates and high occupancy level are evidence of the subject's strong position within the competitive set.

The property is currently 99.29 percent occupied by 18 different tenants at an average contract rent of $24.40 per square foot, NNN. Notable tenants at the property include Apache (approximately 33 percent of the space), KPMG and Merrill Lynch. The in place rental rates at the property are approximately 4 percent below market and there is limited near term lease exposure. It should be noted that the only vacant space at the property is storage space, and all of the office suites are occupied. The current occupancy level is higher than most of the properties in the competitive set and the overall market.

Transportation and Connectivity

Local area accessibility is generally good, relying on the following transportation arteries:

Local: Babcock, Camp Bullis, La Cantera, Vance Jackson, UTSA Boulevard, Lockhill-Selma and NW Military are major roadways in the area.

Regional: Interstate Highway 10 provides access between the downtown area of San Antonio and the northwest sector of the city. IH 10 connects San Antonio with Houston and beyond to the east and El Paso and beyond to the west. Loop 1604, which is the second loop that encircles the city of San Antonio on about a 12-mile radius, and provides access to the outer and suburban areas of the city of San Antonio.

Interstate 10 is currently under being expanded north of the subject on the way to the Boerne area. This has caused temporary traffic congestion in the area, though upon completion, commute times for the residents of the greater Boerne area will ultimately be reduced.

The subject is located proximate to numerous single-family housing developments in the area. Additionally, there are numerous multi-family residential developments nearby, which provide a strong housing base for potential office users in the market. The local area is near the University of Texas San Antonio and the South Texas Medical Center along with other corporate headquarters for companies such as USAA and Valero.

Competitive Market Survey – Micro Market

In order to gain a better understanding of the market conditions specific to the subject, we conducted a survey of those buildings that would be considered most competitive to the subject.

Micro Market Snapshot

We have identified office buildings with the following characteristics as being directly competitive with the subject.

- Low to mid-rise office product containing over 70,000 square feet built from 2000 to present
- Class A / B office product (excludes medical office) in the Interstate 10 corridor

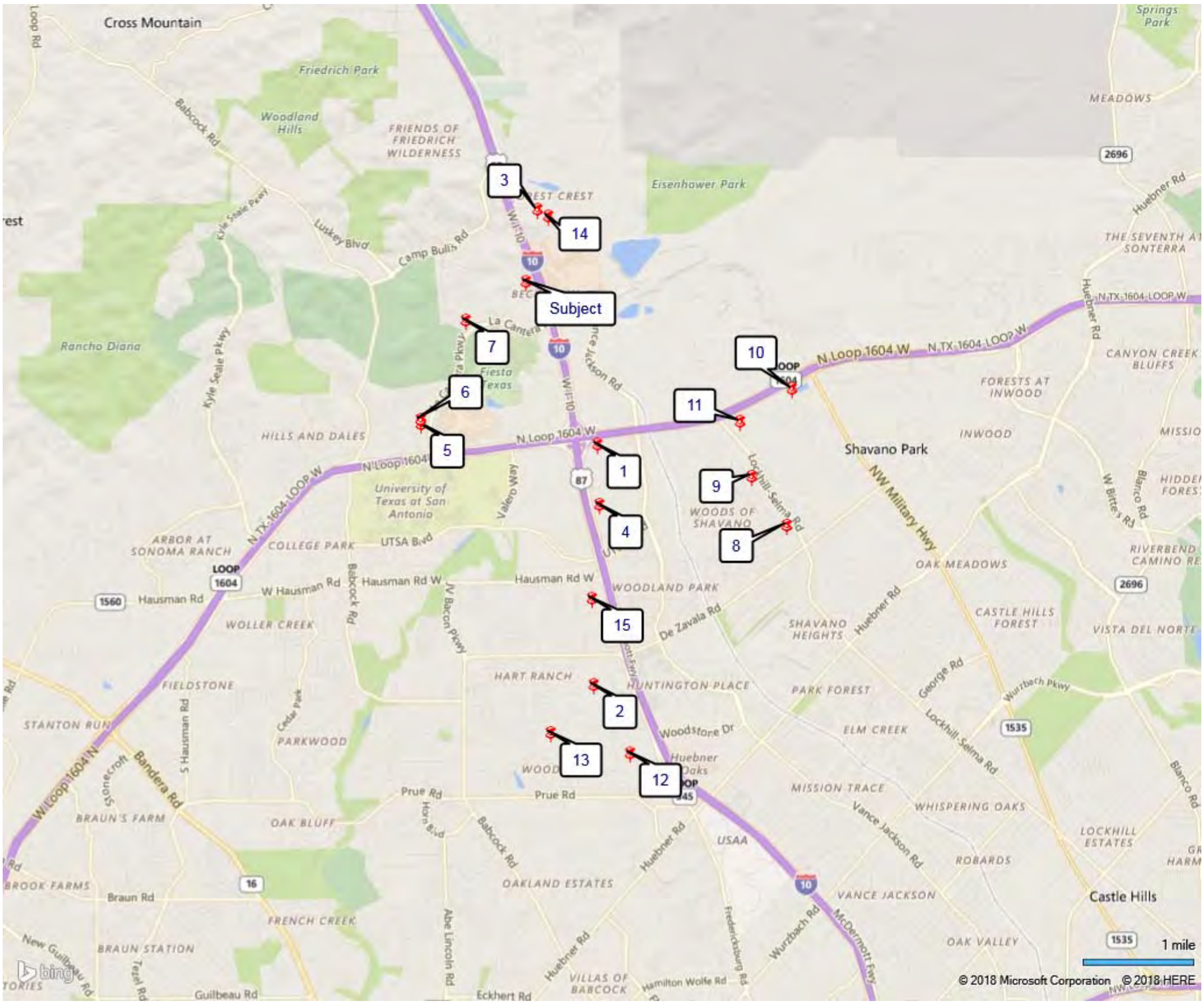
The following table contains the results of a CoStar Group and Cushman & Wakefield survey of existing competitive properties. These buildings are similar in terms of location, physical attributes, and access to amenities:

COMPETITIVE MICRO MARKET

No.	Name	Address	Parking Ratio	Year Built	Stories	RBA (SF)	Direct Vacant SF	% Leased	Ask Rate/SF	Expenses
S	**Promenade I & II at Eilan**	**17802 & 17806 IH-10 W**	**4.00**	**2011**	**4**	**205,773**	**1,409**	**99.3**	**$26.00**	**Triple Net**
1	Landmark One	15727 Anthem Pky	4.00	2017	6	167,618	100,576	40.0	$28.00	Triple Net
2	NuStar Energy Corporate Campus	19003 W I-10 Fwy	3.25	2012	5	321,840	0	100.0	-	-
3	Vista Corporate Center	13805 IH-10 W	4.00	2017	5	157,472	0	100.0	-	-
4	Promenade Two at Eilan	17802 Interstate 10 W	2.68	2011	4	112,000	0	100.0	-	-
5	WestRidge One at La Cantera	15955 La Cantera Pky	4.99	2014	4	129,016	0	100.0	-	-
6	Former SSFCU Headquarters	16211 La Cantera Pky	3.40	2000	3	111,483	65,018	41.7	$25.00	Triple Net
7	4350 Lockhill Selma Rd	4350 Lockhill Selma Rd	5.48	2008	3	116,545	16,853	85.5	$19.00	Triple Net
8	4500 Lockhill-Selma Rd	4500 Lockhill-Selma Rd	5.00	2007	2	99,098	4,969	94.6	$19.50	Triple Net
9	Pond Hill	4372 N Loop 1604 W	0.00	2016	3	72,400	15,384	78.8	$20.50	Triple Net
10	Lockhill Crossing	4630 N Loop 1604 W	4.10	2015	5	126,626	0	100.0	-	Triple Net
11	Building III	12459 Network Blvd	5.00	2015	2	80,569	0	100.0	-	-
12	Northwest Parkway 6200	6200 Northwest Pky	6.76	2000	2	142,500	0	100.0	-	-
13	Medtronic Office Building	18302 Talavera Rdg	3.87	2009	3	145,025	0	100.0	-	-
14	5740 University Heights	5740 University Hts	0.81	2006	4	124,647	0	100.0	-	-
15	University Park Tech Center	5859 Farinon Dr	5.50	2008	2	95,898	0	100.0	-	-
OVERALL STATISTICS INCLUDING SUBJECT										
Low:			0.00	2000	2	72,400	0	40.0	$19.00	
High:			6.76	2017	6	321,840	100,576	100.0	$28.00	
Average/Total:			**3.93**	**2010**	**4**	**138,032**	**12,763**	**90.7**	**$23.00**	

FS- 'Full Service Gross'
Source: CoStar Goup, Inc. and Cushman & Wakefield of Texas, Inc.

COMPETITION MAP



We surveyed 16 competitive office buildings within the submarket, including the subject, containing approximately 2.2 million square feet. The average vacancy is approximately 9.3 percent, which is well below the city-wide Class A average of 13.6 percent.

Average asking rates for competitive office space range from $19.00 to $28.00 per square foot, with an average of $23.00 per square foot on a triple net basis. Lease rates include a tenant improvement package ranging from $2.00 to $5.00 per square foot per year of the lease term for new leases, and none (As Is) to $1.00 per square foot per year of the lease term for renewal leases. Lease terms typically reflect annual escalations 2.5 to 3.0 percent for triple net leases. The range in average asking rental rates is primarily based on the property location, the quality and amount of tenant buildout, and other property characteristics.

The subject falls generally towards the high end of this set in terms of access to amenities, overall quality/condition, and parking facilities. Accordingly, it commands rents in line with those assumptions.

Subject's Competitive Market Position

The subject is considered a Class A office complex by market participants based on its quality, condition and tenancy. The subject benefits from being located within a well-established submarket in a mixed-use development high-end amenities. In addition, the location of the subject near single-family residential communities geared towards executive level employees such as The Dominion and Cresta Bella help the subject development attract white-collar employers such as oil and gas companies, law firms, engineers, financial service professionals, etc. The subject is also one of the highest quality office buildings constructed in the local market in the last 20 years. Thus, based on the subject's locational characteristics, project quality and current tenancy, the subject has a good competitive position in comparison to other comparable buildings within the immediate market.

Micro Market Outlook and Conclusions

The subject micro market should continue to remain as arguably the top suburban market in the region over the near term. There is significant new construction planned and underway in the CBD including the Frost Tower, which could steal some of the demand for office in the subject micro market over the coming years as millennial workers seek a more urban lifestyle in the city's core. However, the subject submarket is more established and has a proven track record of attracting high-quality office users, while the CBD activity represents more of a higher risk development strategy. Ultimately, the subject micro market is anticipated to be able to achieve lower vacancy levels than the surrounding market area due to its location proximate to high-end retail developments and housing developments.

SWOT ANALYSIS

Strengths

- The subject is located in the I-10 corridor in Northwest San Antonio, near the region's top employers including Valero Energy, UTSA, USAA, NSA, Nustar, Acelity Corporate Headquarters, Medtronic and the South Texas Medical Center. The location in this corridor is proximate to many affluent executive housing developments such as Shavano Park, Cresta Bella, The Dominion and Castle Hills.
- The subject represents an institutionally-owned asset that has been well-maintained over the last several years. The property was constructed in 2011 and represents one of the highest quality Class A office buildings in the market. The subject is superior to nearly all large office buildings over 100,000 square feet in the market except for the recently developed Landmark One and the proposed Frost Tower in the CBD (currently under construction). Given its high quality finishes, the subject commands some of the highest office rental rates in San Antonio.
- Since the current owners acquired the property in 2015, the subject has been able to achieve an average physical occupancy level of 97.4 percent. According to REIS, the average vacancy level for Class A office properties in the subject's West submarket is currently 17.6 percent. Therefore, the subject has historically outperformed the comparable Class A product in the market area in terms of occupancy.
- The subject has a strong tenant base. Apache, who is an investment grade tenant with a Baa3 Moody's rating, occupies 69,617 square feet of space, or 33 percent of the space at the property. Other strong tenants at the property include KPMG and Merrill Lynch.
- The property is located within the Eilan mixed-use development. Eilan features a 165-room boutique hotel, restaurants, retail and office space surrounding a piazza with Tuscan-style stucco exteriors, stone facades and clay-tiled roofs. Additionally, there is a 539-unit Class A apartment complex with a pool, fitness center, tennis courts and billiards room. The overall amenity level and quality of surrounding retail and hotel uses are attractive for potential office tenants.

Weaknesses

- The subject is a well-located, Class A, office building in the Northwest San Antonio area. As such, there are few perceived weaknesses for the subject.

Opportunities

- The in-place rental rates at the property are estimated to be approximately 4 percent below market. Therefore, there is potential upside in bringing the older tenants leases to market upon renewal. REIS indicates that the Class A rental rate is forecasted to increase by approximately 2.4 percent per year between 2018 and 2022.

Threats

- There has been a recent surge of new leasing activity ongoing in the San Antonio CBD, largely driven by the new Frost Tower and USAA's desire to move employees into the downtown market. As younger employees seek a more-urban work environment in a walkable setting, suburban office properties in San Antonio could lose tenants to the urban core of San Antonio over the coming years.

Wayne, Pennsylvania

Introduction

Market Overview

Over 6.0 million people call the Philadelphia CBSA home, making it the eighth-largest metropolitan area in the United States. The region is centrally located within the nation's northeast corridor, where it sits about 80 miles southwest of New York City and roughly 130 miles northeast of Washington, D.C. The Philadelphia Metropolitan Division (Philadelphia, Montgomery, Bucks, Delaware and Chester Counties of Pennsylvania), the Wilmington Metropolitan Division (New Castle County, DE; Cecil County, MD and Salem County, NJ) and the Camden Metropolitan Division (Burlington, Camden and Gloucester Counties of New Jersey) make up the metro region. The City of Philadelphia, which lies on the banks of the Delaware and Schuylkill Rivers, is the region's focal point due to its central location. The city's boundaries are coterminous with Philadelphia County.

Demographic Trends

Demographic Characteristics

The demographic characteristics for the Philadelphia CBSA are strong, highlighted by some of the highest educational attainment levels on the East Coast. The region is home to a variety of highly regarded post-secondary institutions, which keeps a steady stream of young talent flowing into the region's labor force each year. In turn, employers that are in need of highly skilled workers and typically pay higher wages are attracted to the region. As such, the Philadelphia CBSA has average and median income levels that are well above the national average.

Population

Historically, the annual population growth rate in the Philadelphia CBSA has trailed the national average. From 2007 to 2017, the region recorded a per annum population growth rate of 0.4 percent, which was roughly 40 basis points lower than the nation's population growth rate of 0.8 percent over the same time. Going forward, the region is anticipated to continue to lag the national average with a projected annualized population growth rate of 0.1 percent through 2022.

Further considerations regarding population growth are as follows:

- The City of Philadelphia has experienced significant turnaround in population growth since 2007, as its population has increased an average 0.4 percent annually since then. The growth is in stark contrast to the year-over-year declines experienced in the years prior to 2007, at which time a wave of middle class families migrated out of the city and into the surrounding suburbs. The current population increase can be attributed to a rise in the young adult population that prefers urban environments instead of the suburbs.
- According to Moody's Analytics, the population of the Philadelphia CBSA is projected to increase at a per annum rate of 0.1 percent over the next five years. This will continue to lag the nation's population growth rate by an estimated 50 basis points.

The following table depicts the Philadelphia CBSA's annualized population growth (actual and projected) by county from 2007 to 2022:

Annualized Population Growth by County
Philadelphia CBSA
2007-2022

Population (000's)	2007	2017	Forecast 2018	Forecast 2022	Compound Annual Growth Rate 07-17	Compound Annual Growth Rate 18-22
United States	301,231.2	325,432.5	327,745.1	336,324.0	0.8%	0.6%
Philadelphia, PA	**5,882.1**	**6,097.0**	**6,112.6**	**6,139.0**	**0.4%**	**0.1%**
Bucks County	621.3	627.3	627.5	624.0	0.1%	-0.1%
Burlington County	447.6	452.3	453.3	453.1	0.1%	0.0%
Camden County	513.5	512.8	513.3	511.7	0.0%	-0.1%
Cecil County	99.6	102.9	103.2	104.7	0.3%	0.4%
Chester County	486.2	519.7	522.5	529.3	0.7%	0.3%
Delaw are County	554.9	563.7	563.4	559.5	0.2%	-0.2%
Gloucester County	284.1	294.8	296.0	298.7	0.4%	0.2%
Montgomery County	785.2	826.4	829.8	837.5	0.5%	0.2%
New Castle County	530.6	559.6	562.6	577.2	0.5%	0.6%
Philadelphia County	1,493.3	1,574.2	1,578.1	1,581.2	0.5%	0.0%
Salem County	65.9	63.2	62.9	62.2	-0.4%	-0.3%

Source: Data Courtesy of Moody's Analytics, Cushman & Wakefield Valuation & Advisory

Economic Trends

Employment Distribution

Given the large number of education and healthcare systems, it is no surprise that the majority of the workforce is employed in the Education and Health Services sector. Nevertheless, the region's employment is diverse, as seven of the region's eleven industries have an employment share greater than 6.0 percent. This is relatively on par with employment distribution nationally. Outside of the Education and Health Services sector, the Trade, Transportation and Utilities, Professional and Business Services, and Government industries have the highest employment shares in the region. The largest discrepancy in employment distribution is unsurprisingly in the Education and Health Services Sector. The industry employs roughly 22.0 percent of the regional workforce, but a mere 15.8 percent on the national level, highlighting the extent to which the region's economy relies on the local education and health systems.

- Further considerations regarding employment distribution in the region are as follows:
- The sheer size of the Trade, Transportation, and Utilities industry typically gives it an outsized employment share in a given region. In the Philadelphia CBSA, the industry constitutes approximately 18.1 percent of the overall employment, which is relatively on par with the industry's 18.7 percent employment share nationally.
- The region's largest sector is, and will continue to be, the Education and Health Services industry. The industry employs 22.0 percent of the region's workforce and is projected to continue to be an employment leader in the foreseeable future. The industry's employment share is anticipated to grow 0.7 percent through 2022. An aging population, coupled with healthcare reforms, is projected to contribute to a rise in healthcare demand. Pennsylvania's Medicaid expansion and the Affordable Care Act will help increase demand for health services through insurance coverage mandates and by lowering the cost of treatment for many of the state's currently uninsured residents.

- Over the next five years, the Philadelphia CBSA's workforce will continue to be concentrated in the Education and Health Services, Trade, Transportation and Utilities, Professional and Business Services, and Government industries.

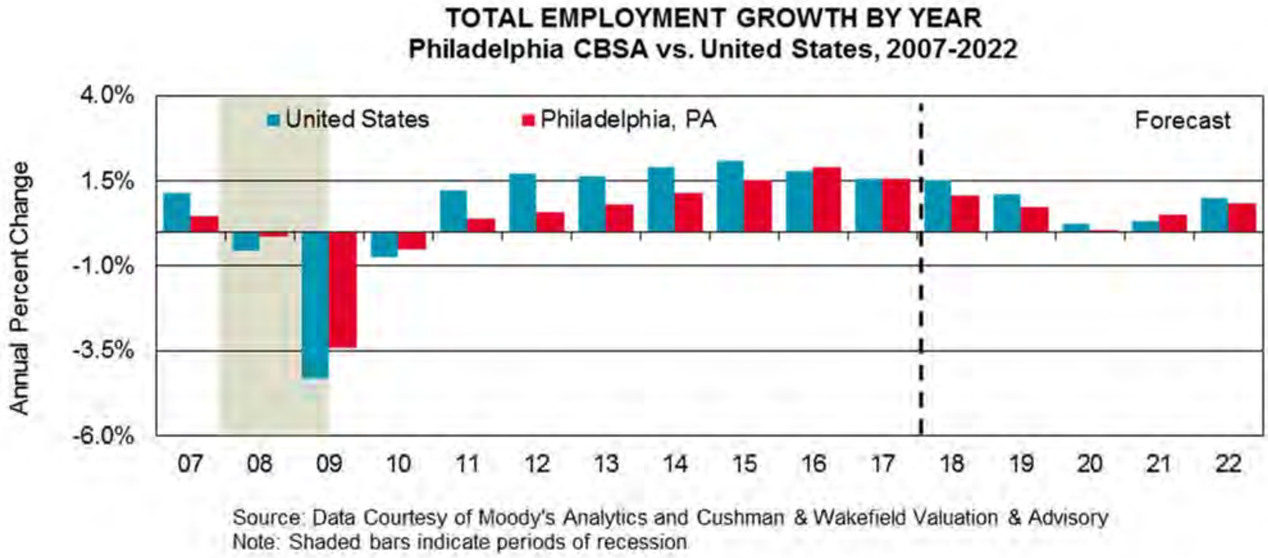
Employment Growth

The Philadelphia CBSA experienced a roughly 4.1 percent decline in employment from 2008 to 2010 due to the effects of the economic recession, which resulted in a mass number of layoffs. However, the region fared better than the national economy, which experienced a 5.6 percent employment decline over the same time. As such, Philadelphia CBSA's steady economy typically causes its employment growth to trail the national averages during periods of economic growth. However, the rate at which the area sheds jobs is generally less severe than the nation during economic downturns. Overall employment increased by 1.5 percent in 2017 and is projected to accelerate this year with a growth rate of 1.1 percent.

Further considerations are as follows:

- From 2007 to 2017, the region recorded an annual employment growth rate of 0.4 percent, which is lower than the nation's employment growth rate of 0.6 percent during the same time. Despite the lackluster growth, the region's employment did not contract as much as the nation during the economic downturn and as such did not have as much ground to cover.
- Over the past decade, the Education and Health Services industry experienced an annual employment growth rate of 2.1 percent, which outpaced all other industries in the region. This is primarily as a result of the industry's steady growth during the economic downturn, at which time most other sectors contracted. Healthcare employment will significantly outpace overall job growth in both the short and long run. Going forward, the education and health care sector is anticipated to continue to expand with per annum growth rate of 0.7 percent through 2022.
- The Leisure and Hospitality industry has witnessed robust gains over the past few years in the Philadelphia CBSA. Income growth has boosted tourism, which has kept hotel occupancy rates high and job growth robust. As a result, thirteen hotels are underway or proposed will bring the downtown room supply to more than 13,000. These include the Four Seasons, Cambria Hotel & Suites, Fairfield Inn and Suites, and the large W / Element Hotel — all currently under construction — as well as the planned Hyatt Centric and Live! Hotel and Casino. Going forward, the Leisure and Hospitality industry will continue to be a strong driver of employment growth as the industry's employment base grows a projected 1.0 percent annually through 2022.
- A robust housing market, a booming tourism industry, and the construction of the FMC Tower and the Comcast Technology Center are driving a substantial increase in employment in the Construction industry. The Construction industry is anticipated to display strong employment growth over the next five years, increasing an average 1.3 percent annually during that time. Brandywine Realty Trust and Drexel University recently announced plans for Schuylkill Yards, a 14-acre mixed-use community in University City next to Drexel's main campus and Cira Centre. The development is projected to be completed in phases over a 20 year period.
- Overall, the region is anticipated to pick up steam over the next five years, with total nonfarm annual employment growth of 0.5 percent through 2022. This is will slightly underperform the nation's estimated employment growth rate of 0.7 percent over the same time.

The following graph illustrates total non-farm employment growth per year, for the Philadelphia CBSA, and the U.S.



Conclusion

Philadelphia CBSA's economy is projected to continue to expand and experience strong growth over the next few years. The region's healthcare, construction, and tourism industries are thriving. Overall, the regional economy is projected to exhibit steady growth, underscored by per annum employment and economic growth rates of 0.5 percent and 1.7 percent, respectively, over the next five years. The region's stability and strong emphasis on education gives it a positive outlook. The highly educated workforce and diverse private sector will continue to support growth in the region over the long-term.

Philadelphia Office Market and King of Prussia Office Submarket

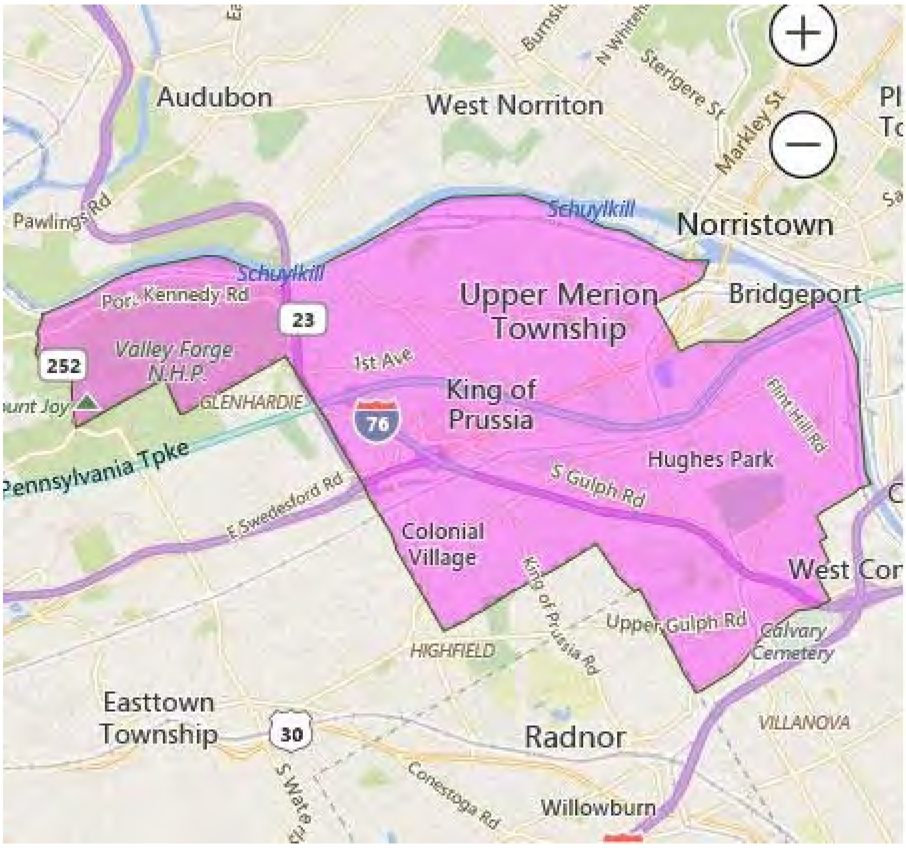
Introduction

Reis, Inc. classifies the Philadelphia Office market into fifteen submarkets, and segregates inventory by type of space (Class A versus Class B/C). The subject lies within the King of Prussia submarket of Philadelphia.

Submarket Snapshot

The Philadelphia Office market contains 111,884,000 square feet of space. Center City is the largest submarket, comprising 33.6 percent of the area's total inventory. Jenkintown is the smallest submarket with 1.7 percent of total inventory. The subject submarket contains 6,165,000 square feet, or 5.5 percent of the region's inventory. The submarket generally stretches from the Schuylkill River on the east and north, to I-476 on the south, and Valley Forge National Historic Park on the west. It is one of the larger suburban submarkets in Philadelphia.

KING OF PRUSSIA SUBMARKET



The following table presents the geographic distribution of inventory, along with other statistical information.

GEOGRAPHIC DISTRIBUTION OF INVENTORY

Submarket	Class	No. of Buildings	Inventory (SF)	% Total	Vacancy Rate (%)	Net Absorption	Asking Rent ($/SF)
Blue Bell/Plymouth Meeting	A		4,133,000	3.7	18.7	-38,000	$27.22
Blue Bell/Plymouth Meeting	B/C		2,007,000	1.8	19.6	19,000	$23.75
Blue Bell/Plymouth Meeting	**A/B/C**	**108**	**6,140,000**	**5.5**	**19.0**	**-19,000**	**$26.11**
Bucks County	A		2,945,000	2.6	26.6	2,000	$27.53
Bucks County	B/C		2,850,000	2.5	19.3	-25,000	$20.82
Bucks County	**A/B/C**	**139**	**5,795,000**	**5.2**	**23.0**	**-23,000**	**$24.22**
Burlington	A		3,498,000	3.1	15.0	25,000	$24.48
Burlington	B/C		4,973,000	4.4	20.6	-50,000	$20.28
Burlington	**A/B/C**	**136**	**8,471,000**	**7.6**	**18.3**	**-25,000**	**$22.00**
Camden/Gloucester	A		1,468,000	1.3	13.1	-18,000	$24.15
Camden/Gloucester	B/C		4,325,000	3.9	17.5	6,000	$20.43
Camden/Gloucester	**A/B/C**	**110**	**5,793,000**	**5.2**	**16.4**	**-12,000**	**$21.38**
Center City	A		27,668,000	24.7	6.1	54,000	$33.32
Center City	B/C		9,871,000	8.8	7.5	-91,000	$24.56
Center City	**A/B/C**	**142**	**37,539,000**	**33.6**	**6.4**	**-36,000**	**$30.98**
Delaware County	A		3,797,000	3.4	6.4	-37,000	$30.97
Delaware County	B/C		1,868,000	1.7	23.4	14,000	$20.02
Delaware County	**A/B/C**	**124**	**5,665,000**	**5.1**	**12.0**	**-23,000**	**$27.32**
Exton/Malvern/North Chester	A		3,047,000	2.7	8.5	1,000	$26.69
Exton/Malvern/North Chester	B/C		2,674,000	2.4	19.7	-2,000	$20.58
Exton/Malvern/North Chester	**A/B/C**	**114**	**5,721,000**	**5.1**	**13.7**	**0**	**$23.84**
Horsham	A		2,560,000	2.3	13.8	-6,000	$24.32
Horsham	B/C		2,707,000	2.4	26.4	11,000	$20.19
Horsham	**A/B/C**	**95**	**5,267,000**	**4.7**	**20.3**	**5,000**	**$22.20**
Jenkintown	A		699,000	0.6	18.0	-2,000	$24.04
Jenkintown	B/C		1,148,000	1.0	20.6	-6,000	$19.07
Jenkintown	**A/B/C**	**31**	**1,847,000**	**1.7**	**19.6**	**-7,000**	**$20.96**
King Of Prussia	A		3,838,000	3.4	16.1	-31,000	$26.46
King Of Prussia	B/C		2,327,000	2.1	18.2	0	$22.10
King Of Prussia	**A/B/C**	**80**	**6,165,000**	**5.5**	**16.9**	**-31,000**	**$24.81**
Lower Merion	A		3,634,000	3.2	11.8	-18,000	$35.13
Lower Merion	B/C		1,536,000	1.4	14.4	-23,000	$30.96
Lower Merion	**A/B/C**	**62**	**5,170,000**	**4.6**	**12.6**	**-41,000**	**$33.91**
North Montgomery County	A		638,000	0.6	24.5	-28,000	$28.16
North Montgomery County	B/C		2,306,000	2.1	17.3	11,000	$21.62
North Montgomery County	**A/B/C**	**71**	**2,944,000**	**2.6**	**18.9**	**-17,000**	**$23.04**
North Philadelphia	---		0	0.0	0.0	0	$0.00
North Philadelphia	B/C		2,802,000	2.5	16.6	49,000	$19.56
North Philadelphia	**A/B/C**	**38**	**3,580,000**	**3.2**	**17.2**	**94,000**	**$20.90**
South Chester	A		4,579,000	4.1	17.2	-68,000	$30.38
South Chester	B/C		2,430,000	2.2	12.0	26,000	$24.41
South Chester	**A/B/C**	**131**	**7,009,000**	**6.3**	**15.4**	**-42,000**	**$28.31**
West Philadelphia	A		3,605,000	3.2	9.4	11,000	$37.86
West Philadelphia	B/C		1,173,000	1.0	12.7	-39,000	$25.20
West Philadelphia	**A/B/C**	**20**	**4,778,000**	**4.3**	**10.2**	**-28,000**	**$34.76**
Total A	A		66,109,000	59.1	11.1	-109,000	$30.76
Total B/C	B/C		44,997,000	40.2	16.3	-100,000	$22.23
Total/Average	**A/B/C**	**1401**	**111,884,000**	**100.0**	**13.2**	**-209,000**	**$27.31**

Source:

As of third quarter 2018, the overall vacancy rate for the market is 13.2 percent. The subject's King of Prussia submarket has a vacancy rate of 16.9 percent.

The average asking rental rate for all types of space within the market is $27.31 per square foot. The subject's King of Prussia submarket has an average asking rental rate of $24.81 per square foot.

Class A buildings constitute 59.1 percent of existing inventory and are exhibiting a lower vacancy rate (11.1 percent) than Class B/C buildings (16.3 percent) and higher average asking rents of $30.76 versus $22.23 per square foot.

Supply

Inventory and Construction Completions

Between 2013 and 2017 a total of 1,703,000 square feet of space was completed or an average of 340,600 square feet per year. No new space was completed as of third quarter 2018. Over the next five years, Reis projects that an additional 3,589,000 square feet will completed the Philadelphia market.

Within the subject submarket, a total of 111,000 square feet of space was completed between 2013 and 2017. Over the next five years, Reis projects that an additional 69,000 square feet of new space will be completed within the King of Prussia submarket.

The following table presents historical inventory and projected completions for the region and subject submarket.

HISTORICAL AND PROJECTED INVENTORY & COMPLETIONS (SF)

	Philadelphia					King of Prussia					
Year	Class A	Completions	Class B/C	Completions	Total Completions	Class A	Completions	Class B/C	Completions	Total Completions	% of Region
2013	66,361,000	281,000	45,217,000	0	281,000	3,727,000	0	2,273,000	0	0	0.0%
2014	66,567,000	206,000	45,263,000	0	206,000	3,727,000	0	2,273,000	0	0	0.0%
2015	65,733,000	74,000	44,909,000	0	74,000	3,727,000	0	2,273,000	0	0	0.0%
2016	65,821,000	88,000	44,909,000	0	88,000	3,727,000	0	2,273,000	0	0	0.0%
2017	66,807,000	986,000	45,217,000	68,000	1,054,000	3,838,000	111,000	2,327,000	0	111,000	10.5%
3Q18	66,887,000	80,000	44,997,000	0	80,000	3,838,000	0	2,327,000	0	0	0.0%
2018	---	---	---	---	947,000	---	---	---	---	0	0.0%
2019	---	---	---	---	375,000	---	---	---	---	0	0.0%
2020	---	---	---	---	926,000	---	---	---	---	18,000	1.9%
2021	---	---	---	---	743,000	---	---	---	---	24,000	3.2%
2022	---	---	---	---	598,000	---	---	---	---	27,000	4.5%
2013-2017											
Total Completions		**1,635,000**		**68,000**	**1,703,000**		**111,000**		**0**	**111,000**	
Annual Average		**327,000**		**13,600**	**340,600**		**22,200**		**0**	**22,200**	**6.5%**

Source: Reis, Inc.

Demand

Vacancy Rates

As shown in the following chart, vacancy rates decreased from 14.2 in 2013 to 13.1 percent in 2017. For third quarter 2018 the vacancy rate stands at 13.2 percent. Over the near term, Reis projects a rise in vacancy levels for Philadelphia, with vacancy ranging from 13.2 to in 2018 to 15 percent in 2022.

Between 2013 and 2017, vacancy rates increased from 15.9 to 17.6 percent. The current vacancy rate for the submarket is 16.9 percent. Over the near term, Reis is projecting a decline in vacancy for the King of Prussia submarket, with vacancy levels ranging from 16.8 percent in 2018 to 15.9 percent in 2022.

The following table presents historical and projected vacancy rates for the region and subject submarket.

HISTORICAL AND PROJECTED VACANCY RATES (%)						
	Philadelphia			King of Prussia		
Year	Class A	Class B/C	Total	Class A	Class B/C	Total
2013	12.4	16.8	14.2	18.3	12.0	15.9
2014	12.4	16.5	14.1	19.1	10.9	16.0
2015	10.7	15.5	12.6	18.2	11.9	15.8
2016	10.2	15.2	12.2	16.6	16.3	16.5
2017	10.8	16.6	13.1	16.5	19.4	17.6
3Q18	11.1	16.3	13.2	16.1	18.2	16.9
2018	---	---	13.2	---	---	16.8
2019	---	---	13.5	---	---	16.9
2020	---	---	13.9	---	---	16.8
2021	---	---	14.4	---	---	16.4
2022	---	---	15.0	---	---	15.9

Source: Reis, Inc.
Note: Reis does not differentiate between space that is available directly from the landlord or as a sublease. Any space that is available immediately for leasing (i.e. within 30 days) is considered vacant by Reis' standards.

As shown, Class A buildings within the region are exhibiting a lower vacancy rate (11.1 percent) than Class B/C buildings (16.3 percent). Within the subject submarket, Class A buildings are exhibiting lower vacancies than Class B/C buildings (16.1 percent versus 18.2 percent).

Absorption Trends

Absorption measures change in the level of occupied space in a geographic region over a specific period of time. Absorption is not a measure of leasing activity. It reflects increasing, stable or decreasing demand for space. If the level of occupied space increases from one period to the next, demand has increased. If no change has occurred, demand is stable. If the level of occupied space is lower, demand has decreased. All things being equal, positive absorption lowers vacancy rates and negative absorption increases vacancy rates. A newly constructed building that enters the marketplace vacant will adversely affect the vacancy rate but have no bearing on absorption since it has not altered the level of occupancy.

Over the past few years, new construction activity within the Philadelphia region has exceeded absorption. As shown in the following table, an annual average of 340,600 square feet of space was completed in the region between 2013 and 2017, while 340,200 square feet was absorbed. Over the next five years, Reis projects that construction will exceed absorption with new construction totaling 3,589,000 square feet, and absorption totaling 807,000 square feet.

Between 2013 and 2017, new construction within the King of Prussia submarket outpaced absorption, with an annual average of 22,200 square feet completed and 20,000 square feet absorbed. Over the next five years, Reis projects that new construction will not surpass absorption (new construction will total 69,000 square feet, and 161,000 square feet is expected to be absorbed).

The following table presents historical and projected absorption levels and completions for the region and the subject submarket.

HISTORIC AND PROJECTED NET ABSORPTION (SF)

	Philadelphia				King of Prussia			
Year	Class A	Class B/C	Total Absorption	Total Completions	Class A	Class B/C	Total Absorption	Total Completions
2013	103,000	86,000	191,000	281,000	12,000	54,000	66,000	0
2014	164,000	164,000	328,000	206,000	-30,000	24,000	-6,000	0
2015	386,000	157,000	542,000	74,000	34,000	-22,000	12,000	0
2016	427,000	126,000	554,000	88,000	59,000	-101,000	-42,000	0
2017	479,000	-392,000	86,000	1,054,000	96,000	-27,000	70,000	111,000
3Q18	-109,000	-100,000	-205,000	80,000	-31,000	0	-31,000	0
2018	---	---	556,000	947,000	---	---	52,000	0
2019	---	---	26,000	375,000	---	---	-7,000	0
2020	---	---	341,000	926,000	---	---	20,000	18,000
2021	---	---	76,000	743,000	---	---	43,000	24,000
2022	---	---	-192,000	598,000	---	---	53,000	27,000
2013-2017								
Total Absorption	**1,559,000**	**141,000**	**1,701,000**	**1,703,000**	**171,000**	**-72,000**	**100,000**	**111,000**
Annual Average	**311,800**	**28,200**	**340,200**	**340,600**	**34,200**	**-14,400**	**20,000**	**22,200**

Source: Reis, Inc.

Rental Rate Trends

As shown in the following chart, average asking rents in the Philadelphia region have jumped from $24.87 per square foot in 2013 to $27.29 per square in 2017, indicating a compound annual growth rate (CAGR) of 2.3 percent. In the next five years, average asking rents are expected to increase from $27.55 per square foot in 2018 to $29.28 per square foot in 2022. Currently the average asking rent stands at $27.31 per square foot.

Average asking rental rates in the King of Prussia submarket increased from an average of $23.38 per square foot in 2013 to $24.75 per square foot in 2017, demonstrating a CAGR of 1.4 percent. Over the next five years, average asking rents are expected to increase from $24.92 per square foot in 2018 to $26.22 per square foot in 2022. The current average asking rent stands at $24.81 per square foot.

The following table presents historical and projected average asking rental rates for the region and subject submarket.

Historical and Projected Average Asking Rental Rates ($/SF)

	Philadelphia					King of Prussia				
Year	Class A	Class B/C	Total	% Change	Effective Rent	Class A	Class B/C	Total	% Change	Effective Rent
2013	$27.88	$20.47	$24.87	0.5	$20.34	$25.02	$20.69	$23.38	1.8	$20.03
2014	$28.56	$20.87	$25.44	2.3	$20.83	$24.57	$20.76	$23.13	-1.1	$19.80
2015	$29.26	$21.23	$26.00	2.2	$21.33	$24.78	$20.88	$23.30	0.7	$19.94
2016	$30.23	$21.70	$26.77	3.0	$21.99	$25.50	$21.59	$24.02	3.1	$20.59
2017	$30.85	$22.03	$27.29	1.9	$22.46	$26.36	$22.09	$24.75	3.0	$21.18
3Q18	$30.76	$22.23	$27.31	0.0	$22.50	$26.46	$22.10	$24.81	0.3	$21.23
2018	---	---	$27.55	1.0	$22.64	---	---	$24.92	0.7	$21.33
2019	---	---	$27.91	1.3	$22.90	---	---	$25.19	1.1	$21.51
2020	---	---	$28.36	1.6	$23.22	---	---	$25.50	1.2	$21.70
2021	---	---	$28.83	1.7	$23.60	---	---	$25.84	1.3	$21.93
2022	---	---	$29.28	1.6	$23.94	---	---	$26.22	1.5	$22.17
2013-2017										
CAGR	**2.56%**	**1.85%**	**2.35%**			**1.31%**	**1.65%**	**1.43%**		

Source: Reis, Inc.
Notes: CAGR stands for Compound Annual Growth Rate. Asking rents cited by Reis reflect the advertised rental rates for actively marketed space. Effective rents net of any rental concessions, expressed over the life of the lease term. Reis quotes Office rents on a Gross basis.

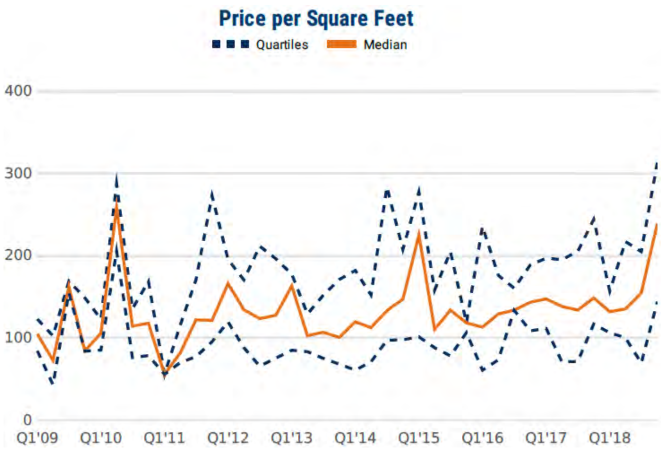
As shown, Class A buildings within the region are exhibiting higher average asking rents ($30.76 per square foot) than Class B/C buildings ($22.23 per square foot). Within the subject submarket, Class A buildings have higher average asking rents than Class B/C buildings ($26.46 per square foot versus $22.10 per square foot).

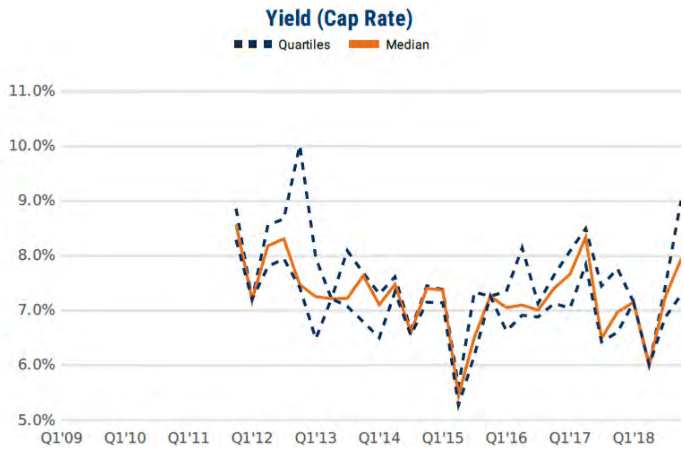
Philadelphia Office Conclusion

Vacancy levels for the Philadelphia Office market have decreased since 2013 and are expected to rise from 13.2 percent next year to 15.0 percent in 2022. Over the near term, new construction activity should exceed absorption, and average asking rates are forecasted to range from $27.55 per square foot at the end of next year to $29.28 per square foot in 2022.

Philadelphia Office Investment Sales Market

According to Real Capital Analytics, 100 office sale transactions closed in the 12 months ending December 2018, with a total volume of $2.03 billion, averaging a price of approximately $159 per square foot. The 100 buildings total 12.3 million square feet. Capitalization rates for this period averaged 7.4 percent, with an average of 8.2 percent reported for the fourth quarter of 2018. As shown in the following graphic, prices have generally trended downward since late 2013 and have consistently fallen below the benchmark (United States) averages. Capitalization rates have trended downward during this period and have spent time above and below national averages, but generally trending in the same direction.





Source: *Real Capital Analytics*

Subject – CrossPoint

Location and Description

Crosspoint is located at 550 E. Swedesford Road in Wayne, PA. The property is situated along the strong, Swedesford Road corridor within this submarket, with good proximity to local highways, the King of Prussia Mall, and the newly developed King of Prussia Town Center. An access ramp to heavily traveled Route 202 adjoins the property.

The subject is a 4-story, Class A, multi-tenant office building that contains 272,360 square feet of rentable area situated on a 24+/- acre site. It comprises two, four-story buildings that were connected with an atrium lobby when the property underwent a complete renovation in 2014. This renovation essentially made the subject the newest building in the market, and it has been able to achieve top-of-the-market rents since then. There is also covered parking for 45 cars, in addition to adequate surface parking. The property includes a full-service cafeteria, conference room, and fitness center.

As of the date of value, the subject was fully occupied. Major tenants include Teleflex (31% of NLA), Tivo (24%), and Medecision (9%). Rents generally range between $30.50 and $36.50 per square foot, on a full-service plus electric basis, and are among the highest rents in the submarket. Lease rollover exposure is considered moderate, with about 33 percent rollover over the next five years.

Transportation and Connectivity

Local area accessibility is generally good, relying on the following transportation arteries:

Local: U.S. Route 202 runs through the southeastern part of Pennsylvania, passing through the northern and western suburbs of Philadelphia. It runs in a general southwest to northeast direction through the state, passing through West Chester, King of Prussia, Norristown, Montgomeryville, Doylestown, and New Hope.

On the border of East Whiteland Township, US 202 interchanges with U.S. Route 30 (Lancaster Avenue). This interchange marks the eastern terminus of the U.S. Route 30 freeway in Chester County and U.S. Route 30 Business, which heads to the west on Lancaster Pike.

Regional: Interstate 76 is an Interstate Highway in the United States, running 435 miles from an interchange with Interstate 71 west of Akron, Ohio, east to Interstate 295 near Camden, New Jersey. East of Akron, I-76 joins the Ohio Turnpike and heads around the south side of Youngstown. In Pennsylvania, I-76 runs across most of the state on the Pennsylvania Turnpike, passing near Pittsburgh and Harrisburg before leaving the Turnpike to enter Philadelphia on the Schuylkill Expressway, crossing the Walt Whitman Bridge into New Jersey. From its end at I-295, Route 42 and the Atlantic City Expressway continue the freeway to Atlantic City.

The Pennsylvania Turnpike is a toll highway system operated by the Pennsylvania Turnpike Commission in the state of Pennsylvania. The Turnpike system encompasses 532 miles in three sections. Its main section, extending from the Ohio state line in the west to the New Jersey state line in the east, is 359 miles. Its various access segments in Western Pennsylvania total 62 miles. The highway serves most of Pennsylvania's major urban areas. The main east/west section serves the Pittsburgh, Harrisburg, and Philadelphia areas.

The area is also served by commuter bus service, and property ownership provides shuttle service to a nearby commuter rail station.

Competitive Market Survey – Micro Market

In order to gain a better understanding of the market conditions specific to the subject, we conducted a survey of those buildings that would be considered most competitive to the subject.

Micro Market Snapshot

We have identified office buildings with the following characteristics as being directly competitive with the subject.

- Class A / A- product

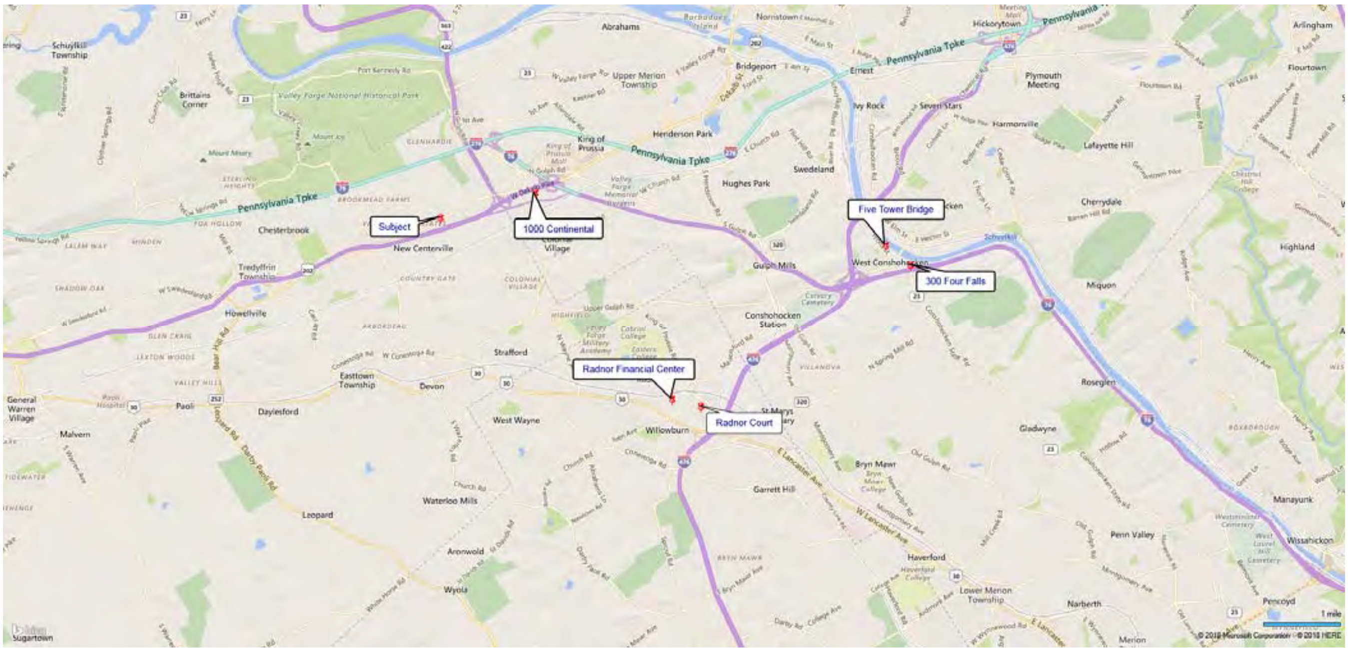
The following table contains the results of a CoStar Group and Cushman & Wakefield survey of existing competitive properties. These buildings are similar in terms of location, physical attributes, and access to amenities.

COMPETITIVE MICRO MARKET

No.	Name	Address	Parking Ratio	Year Built	Stories	RBA (SF)	Direct Vacant SF	% Leased	Ask Rate/SF	Expenses	FS Equivalent
S	**CrossPoint at Valley Forge**	**550 E. Swedesford Road**	**3.50**	**1974**	**4**	**272,360**	**0**	**100.0**	**$38.00**	**Plus Electric**	**$38.00**
1	300 Four Falls Corporate Center	300 Conshohocken State Rd	3.21	2003	7	298,482	21,534	92.8	$38.75	Plus Electric	**$38.75**
2	1000 Continental	1000 Continental Dr	3.57	2007	6	205,424	26,588	87.1	$38.00	Plus Electric	**$38.00**
3	Five Tower Bridge	300 Barr Harbor Dr	3.10	2001	11	222,058	9,496	95.7	$39.28	Plus Electric	**$39.28**
4	Radnor Court	259 N Radnor-Chester Rd	3.12	1985	3	121,371	0	100.0	$39.00	Plus Electric	**$39.00**
5	Radnor Financial Center	555 E. Lancaster Avenue	1.65	1973	6	242,099	0	100.0	$40.00	Plus Electric	**$40.00**
OVERALL STATISTICS INCLUDING SUBJECT											
Low:			1.65	1973	3	121,371	0	87.1	$38.00		$38.00
High:			3.57	2007	11	298,482	26,588	100.0	$40.00		$40.00
Average/Total:			**3.02**	**1991**	**6**	**226,966**	**9,603**	**95.8**	**$38.84**		**$38.84**

FS- 'Full Service Gross'
Source: CoStar Goup, Inc. and Cushman & Wakefield of Pennsylvania, LLC

COMPETITION MAP



We surveyed 6 competitive office buildings within the submarket, including the subject, containing approximately 1.4 million square feet. The average vacancy is approximately 4.2 percent, which is well below the metro-area average of 15.5 percent.

The competitive set indicates rents between $38.00 and $40.00 per square foot. A “full service” lease structure is defined by market participants as tenants responsible for any increases in operating expenses over base year occupancy including real estate taxes, insurance, common area maintenance and utilities. Tenants would also pay their direct electric expenses. Lease rates include a tenant improvement package ranging from $4.00 to $8.00 per square foot per year of the lease term for new leases, and none (As Is) to $3.00 per square foot per year of the lease term for renewal leases. Lease terms typically reflect annual escalations of 2.0 to 3.0 percent for full service plus electric leases. The range in average asking rental rates is primarily based on the property location, the quality and amount of tenant buildout, and other property characteristics.

The subject readily falls into this range due to its recent renovation, strong location, and building amenities.

Subject's Competitive Market Position

The subject is considered a Class A office complex by market participants based on its quality, condition and tenancy. It benefits from excellent highway access and proximity to the area's amenities, especially the King of Prussia Town Center. The Swedesford Road corridor is among the most highly desired submarkets for both tenants and investors, and the ongoing trend to convert this portion of King of Prussia to a "24/7" destination should enhance this desirability. The full renovation of the complex in 2014 effectively made it a new building, which also sets it apart in the market. Thus, based on the subject's locational characteristics, project quality and current tenancy, the subject has a good competitive position in comparison to other comparable buildings within the immediate market.

Micro Market Outlook and Conclusions

Overall, this local submarket is projected to maintain positive growth going forward given the strong combination of amenities and transportation access.

SWOT ANALYSIS

Strengths

- Well located along Swedesford Road, in the King of Prussia submarket.
- Fully occupied.
- Buildings were completely renovated in 2014.
- LEED-certified Gold.
- Wired Gold rating.
- On-site cafeteria, fitness center, conference and training rooms; covered parking, private shuttle to commuter rail.
- High quality finishes throughout. Extensive window lines.
- Strong retail amenities nearby.
- Favorable municipal tax structure.

Weaknesses

- Limited investment-grade tenancy.
- No commuter rail within walking distance, but provides private commuter shuttle to the train.
- The area can be congested during rush hour.
- A sizable portion of the Tivo space is sub-leased, indicating the tenant may need less space upon renewal. However, sublease rates exceed Tivo's face rate.

Opportunities

- Maintain a "premier" status in the submarket.
- Capitalize on the expanding nearby amenities in King of Prussia.
- Recapture excess space from one or more tenants and lease it at a higher rent.

Threats

- Tenants may choose less expensive alternatives in the market.
- Nearby properties have undergone renovation, or will be renovated, increasing the potential competition.

Washington D.C. Area - Suburban Maryland - Gaithersburg

Introduction

Market Overview

One Washingtonian Center is located within the Washington, D.C. Area, more specifically part of the Suburban Maryland market which represents a component of the Washington, D.C. Area. Situated near the midpoint of the nation's Mid-Atlantic coast, the Washington, D.C. CBSA is the seventh most populous metropolitan area in the nation. The Washington, D.C. CBSA is situated along the country's eastern seaboard centrally located between Norfolk, Virginia and New York City. Encompassing more than 5,627 square miles, the region is comprised of fifteen counties and six independent cities within the states of Maryland and West Virginia as well as the Commonwealth of Virginia. Situated along the banks of the Potomac and Anacostia rivers, the District of Columbia (the District), is the nation's capital and focal point of the region. It encompasses approximately 61.0 square miles of land.

Demographic Trends

Demographic Characteristics

The Washington, D.C. metro region has particularly strong demographic fundamentals. A highly educated workforce, coupled with a healthy job market, allows its residents to enjoy high per capita incomes and quality of life. This is highlighted by the region's income and education levels, which are well above the national average. Additionally, the prospect of stable, well-paying jobs routinely attracts young people to the area, resulting in a median age that is slightly lower than the nation's. Numerous post-secondary institutions and a healthy job market should continue to contribute towards the region's economic growth over the foreseeable future.

Population

Historically, the Washington, D.C. CBSA population growth has outpaced the national average, as abundant job opportunities bring many people to the region. From 2007 to 2017, the region's population increased at a per annum rate of 1.4 percent. This was roughly 60 basis points above the national rate of 0.8 percent over the same time. The region experienced the strongest population growth from 2009 to 2011, when the area's population increased by an average rate of 2.0 percent each year. It is not by chance that this was during the economic downturn, as the region's economic stability and higher prospect for employment brought many people to the area. Since then, the population growth rate has decelerated a bit, but nonetheless continues to outpace the national average.

Further considerations regarding population growth are as follows:

- In 2016, the region's population increased at a post-recessionary low of 0.9 percent. The slower population growth was due in large part to the combination of regional fiscal drag and the gradual improvement in the national economy, which has made it easier for people to find a job in other parts of the country.
- Population in the Washington, D.C. CBSA is projected to increase at an annual rate of 0.9 percent through 2022. Although lower than the region's previous ten-year average, the figure will continue to outpace the national per annum population growth rate by 30 basis points over the same time.

- The District continues to attract a growing number of millennials. Many large cities are experiencing this shift in population, as young people prefer a 24-hour live/work/play environment. According to the Washington DC Economic Partnership (WDCEP), the share of young professionals since 2005 (aged 25 to 44) in DC increased at a higher rate of 2.7 percent over the year, with an aggregate expansion of 39.0 percent from 2007 to 2016. The share of this age cohort in total population rose over the same period as well, up from 25.9 percent to 31.0 percent. This compares to the national average of 20.2 percent.

The following table depicts the Washington, D.C. CBSA's annualized population growth (actual and projected) for each county and independent city from 2007 to 2022:

Annualized Population Growth by County
Washington, DC CBSA
2007-2022

Population (000's)	2007	2017	Forecast 2018	Forecast 2022	Compound Annual Growth Rate 07-17	Compound Annual Growth Rate 18-22
United States	301,231.2	325,432.5	327,745.1	336,324.0	0.8%	0.6%
Washington, DC CBSA	**5,372.9**	**6,194.1**	**6,253.6**	**6,486.2**	**1.4%**	**0.9%**
District of Columbia	574.4	694.0	699.8	717.1	1.9%	0.6%
Calvert County	87.4	91.3	91.4	92.4	0.4%	0.3%
Charles County	142.7	158.9	160.2	166.1	1.1%	0.9%
Frederick County	227.5	250.1	252.5	262.2	1.0%	0.9%
Montgomery County	931.7	1,056.6	1,068.7	1,114.4	1.3%	1.1%
Prince George's County	849.9	911.5	915.9	936.8	0.7%	0.6%
Arlington County	190.8	232.7	235.4	245.1	2.0%	1.0%
Clarke County	14.0	14.3	14.4	14.4	0.3%	0.1%
Culpeper County	45.5	50.4	50.7	52.6	1.0%	0.9%
Fauquier County	64.1	69.3	69.7	71.5	0.8%	0.7%
Loudoun County	279.7	395.5	405.9	450.1	3.5%	2.6%
Rappahannock County	7.4	7.4	7.3	7.2	-0.1%	-0.3%
Stafford County	122.5	146.1	148.1	156.9	1.8%	1.5%
Warren County	36.8	39.2	39.4	40.1	0.6%	0.5%
Alexandria City	129.2	157.5	159.5	167.7	2.0%	1.3%
Fairfax/Fairfax City/Falls Church	1,060.4	1,181.3	1,187.0	1,207.8	1.1%	0.4%
Prince William/Manassas/Manassas Park	415.7	520.2	527.6	555.7	2.3%	1.3%
Spotsylvania/Fredericksburg	142.0	161.6	163.3	169.9	1.3%	1.0%
Jefferson County	51.3	56.4	56.7	58.0	1.0%	0.6%

Source: Data Courtesy of Moody's Analytics, Cushman & Wakefield Valuation & Advisory

Economic Trends

Employment Distribution

As the seat of the Federal Government, unsurprisingly the Government sector provides work for approximately 21.3 percent of the Washington, D.C. CBSA employment base. This is well above the national average of about 15.2 percent. That said, the region's employment is still diverse, with six of the eleven industries (including the Government) that make up the employment base having an employment share greater than 6.0 percent, which is on par with the national average. The Professional and Business Services, Government, Education and Health Services, and Trade, Transportation and Utilities industries have employment shares greater than 12.0 percent in the metro area, and combined employ over 70.4 percent of the region's workforce.

Further considerations regarding employment distribution in the region are as follows:

- With an employment share of roughly 23.0 percent, the Professional and Business Services industry is the region's largest employer. Many companies have expanded and/or relocated to the region in an effort to capitalize on Federal spending increases over the years. Although there has been a reduced amount of Federal spending, the industry will continue to be a top performer with a projected employment share of 23.4 percent by the end of 2022.
- The sheer size of the Trade, Transportation and Utilities industry typically gives it an outsized employment share in a given region. In the Washington, D.C. CBSA, the industry constitutes 12.5 percent of the region's total workforce. However, this is about 6.2 percentage points lower than the industry's employment share nationally.
- The Education and Health Services industry has an estimated employment share of 13.6 percent. This is the third highest employment share in the Washington, D.C. region, due in large part, to the expansive health care systems and higher education. In fact, the stable industry withstood the economic downturn fairly well and has been the region's top performer over the past decade with an average annual employment growth rate of 3.0 percent. Going forward, the region's mounting emphasis on education and an increase in the demand for healthcare will grow the industry's employment share to a projected 13.9 percent, through 2022.
- The Leisure and Hospitality industry only employs about 10.1 percent of the region's workforce; however, the industry's employment share is on the rise as the national economy continues to improve and visitors are drawn to the area. The industry's employment share is projected to grow 0.9 percent annually over the next five years. Less than 30 minutes from the District, MGM National Harbor opened in December 2016, employing approximately 4,000 people and directly impacting the Leisure and Hospitality industry, as well the economy in surrounding areas of Suburban Maryland and to some extent Northern Virginia.
- Going forward, the region's workforce will continue to be concentrated in the Professional and Business Services, Government, and Education and Health Services sectors.

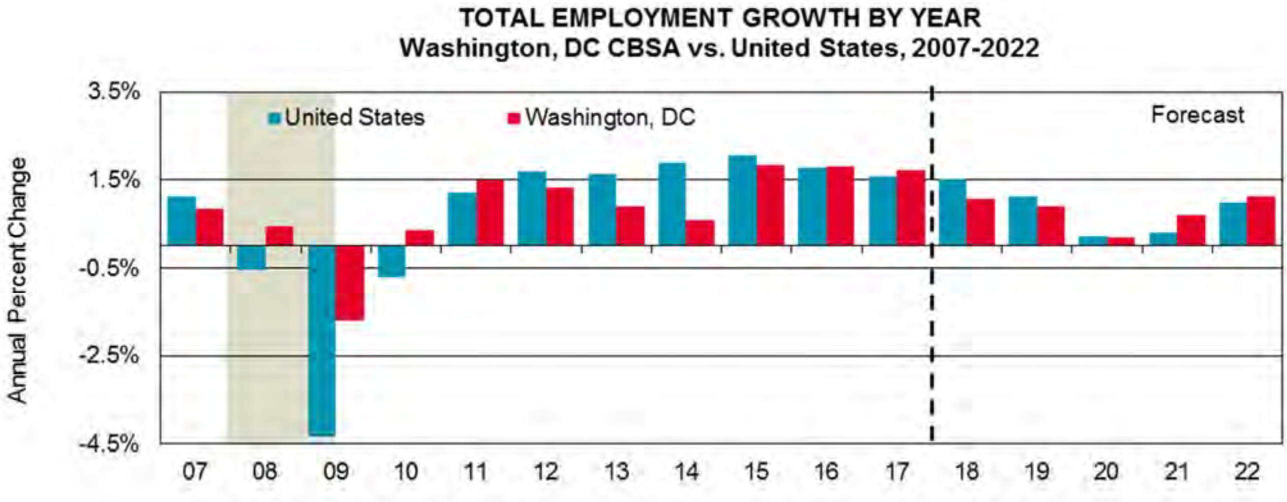
Employment Growth

The Washington, D.C. metro region has long been viewed as one of the premier job markets in the country. A key component to this perception is the market's stability, highlighted by an annual overall employment growth rate of 0.7 percent from 2007 to 2017. This was 10 basis points higher than the national employment growth during the same time. The high amount of Federal spending tends to insulate most of the region's industries during an economic downturn. For example, the region witnessed an employment decline of just 1.7 percent in 2009 during the height of the Recession, as compared to a 4.3 percent decline nationally. However, reductions in Federal spending can have a significant negative impact on the region's employment growth, as illustrated by growth rates of just 0.9 percent and 0.6 percent in 2013 and 2014, respectively. A rare bipartisan deal in Congress significantly boosts federal spending over the next two years. More than half of the increase in the budget caps is for defense spending. The promise of increased spending has prompted defense contractors such as Defense Technology Equipment, a provider of aviation logistics and procurement solutions, to expand. However, increased spending will also result in higher budget deficits; the deficit will grow to above $1.0 trillion in fiscal 2019. The gap will heighten pressure to cut spending, particularly discretionary spending, which finances federal payrolls and federal contracts.

Further considerations are as follows:

- The Business and Professional Services industry recorded an annual employment growth rate of 1.1 percent from 2007 to 2017. More recently, reductions in Federal spending hampered the industry's employment growth, as the workforce contracted by 0.3 percent in 2014. Nonetheless, the industry's employment growth improved in 2016, growing by 2.4 percent. The Business and Professional Services industry will be a main source of new jobs, largely thanks to increased government spending that will facilitate the outsourcing of government services. Going forward, the industry has a forecasted per annum employment growth rate of 1.1 percent through 2022.
- A recovering national economy, coupled with improvements in the housing market, is driving an increase in employment in the Construction and Leisure and Hospitality industries. Over the last six months leisure/hospitality payrolls have expanded at an above-average pace. Both sectors are anticipated to experience significant improvements over the next five years, with projected per annum employment growth rates of 1.7 percent and 0.9 percent, respectively, through 2022.
- Employment growth in the Government sector has fared well in the past. After contracting at an average rate of 0.3 percent annually from 2012 to 2014, the sector grew by 0.6 percent through 2016. A strong national economy and rising incomes will also boost tourist demand. Nevertheless, going forward Moody's Analytics estimates that Government employment will grow by 40 basis points over the next five years.
- Employment in the Education and Health Services industry increased by 3.0 percent annually from 2007 to 2017, due in large part to the growing need for health care and increasing enrollment in the region's post-secondary institutions. Going forward, the industry's employment is projected to increase a healthy 1.1 percent annually through 2022.
- Through 2022, the overall employment in the Washington, D.C. CBSA is estimated to increase at a per annum rate of 0.7 percent. The primary drivers of employment growth over the next five years will be the Construction, Professional and Business Services, Leisure and Hospitality, and Education and Health Services industries.

The following graph illustrates total non-farm employment growth per year, for the Washington, D.C. CBSA, and the U.S.



Source: Data Courtesy of Moody's Analytics and Cushman & Wakefield Valuation & Advisory
Note: Shaded bars indicate periods of recession

Conclusion

The Washington, D.C. CBSA’s economy continued to expand in 2017. Going forward, the region is projected to experience accelerated growth as consumer confidence improves and incomes rise, boosting discretionary income for consumer spending. GMP growth is estimated to rise 2.1 percent over the next five years while employment is expected to increase by 70 basis points over the same time period. However, businesses will continue to adjust to the Federal Government spending cuts over the long-term, which could hamper growth in some industries. Overall, the outlook for the region is positive, as the presence of the Federal Government (despite reductions in spending), the strong demographic characteristics, and the above-average population growth will allow the region to sustain its position as the premier metropolitan area on the East Coast over the foreseeable future.

Suburban Maryland Office and I-270/Gaithersburg-Germantown Office Submarket

Introduction

Reis, Inc. classifies the Suburban Maryland Office market into seventeen submarkets, and segregates inventory by type of space (Class A versus Class B/C). The subject lies within the I-270/Gaithersburg-Germantown submarket of Suburban Maryland.

Submarket Snapshot

The Suburban Maryland Office market contains 67,687,900 square feet of space. I-270/Rockville is the largest submarket, comprising 27.0 percent of the area's total inventory. Kensington/Wheaton is the smallest submarket with 1.1 percent of total inventory. The subject submarket contains 4,687,000 square feet, or 6.9 percent of the region’s inventory.

The following table presents the geographic distribution of inventory, along with other statistical information.

GEOGRAPHIC DISTRIBUTION OF INVENTORY							
Submarket	Class	No. of Buildings	Inventory (SF)	% Total	Vacancy Rate (%)	Net Absorption	Asking Rent ($/SF)
Beltsville	A		965,000	1.4	23.5	-25,000	$28.24
Beltsville	B/C		705,000	1.0	38.6	19,000	$22.35
Beltsville	**A/B/C**	**25**	**1,670,000**	**2.5**	**29.9**	**-6,000**	**$25.76**
Bethesda/Chevy Chase	A		5,030,900	7.4	7.7	49,000	$44.43
Bethesda/Chevy Chase	B/C		3,923,000	5.8	19.6	-77,000	$32.25
Bethesda/Chevy Chase	**A/B/C**	**90**	**8,953,900**	**13.2**	**12.9**	**-27,000**	**$39.08**
Bowie/Upper Marlboro	---		0	0.0	0.0	0	$0.00
Bowie/Upper Marlboro	B/C		964,000	1.4	21.1	16,000	$24.43
Bowie/Upper Marlboro	**A/B/C**	**20**	**1,476,000**	**2.2**	**27.3**	**-25,000**	**$27.98**
College Park/Takoma Park	---		0	0.0	0.0	0	$0.00
College Park/Takoma Park	B/C		1,446,000	2.1	17.4	0	$20.87
College Park/Takoma Park	**A/B/C**	**35**	**1,881,000**	**2.8**	**17.2**	**1,000**	**$22.05**
Frederick County	---		0	0.0	0.0	0	$0.00
Frederick County	B/C		2,317,000	3.4	15.3	0	$18.80
Frederick County	**A/B/C**	**54**	**2,395,000**	**3.5**	**15.6**	**-5,000**	**$19.03**
Greenbelt	A		1,464,000	2.2	27.0	59,000	$25.49
Greenbelt	B/C		2,193,000	3.2	36.3	-68,000	$24.01
Greenbelt	**A/B/C**	**37**	**3,657,000**	**5.4**	**32.5**	**-8,000**	**$24.60**
Hyattsville/Riverdale	A		1,022,000	1.5	6.0	-3,000	$28.10
Hyattsville/Riverdale	B/C		1,445,000	2.1	45.9	-94,000	$25.99
Hyattsville/Riverdale	**A/B/C**	**31**	**2,467,000**	**3.6**	**29.3**	**-96,000**	**$26.88**
I-270/Gaithersburg-Germantown	A		2,269,000	3.4	11.3	26,000	$26.63
I-270/Gaithersburg-Germantown	B/C		2,418,000	3.6	22.7	-34,000	$23.68
I-270/Gaithersburg-Germantown	**A/B/C**	**78**	**4,687,000**	**6.9**	**17.2**	**-9,000**	**$25.13**
I-270/Rockville	A		12,185,000	18.0	20.5	-75,000	$34.80
I-270/Rockville	B/C		6,092,000	9.0	15.7	74,000	$27.89
I-270/Rockville	**A/B/C**	**170**	**18,277,000**	**27.0**	**18.9**	**0**	**$32.52**
Kensington/Wheaton	---		0	0.0	0.0	0	$0.00
Kensington/Wheaton	B/C		764,000	1.1	21.2	-1,000	$26.02
Kensington/Wheaton	**A/B/C**	**21**	**764,000**	**1.1**	**21.2**	**-1,000**	**$26.00**
Landover	A		565,000	0.8	6.9	0	$25.00
Landover	B/C		970,000	1.4	9.9	2,000	$24.98
Landover	**A/B/C**	**21**	**1,535,000**	**2.3**	**8.8**	**2,000**	**$25.02**
Lanham	---		0	0.0	0.0	0	$0.00
Lanham	B/C		1,314,000	1.9	26.6	-7,000	$23.16
Lanham	**A/B/C**	**29**	**1,314,000**	**1.9**	**26.6**	**-8,000**	**$23.18**
Laurel/Calverton	---		0	0.0	0.0	0	$0.00
Laurel/Calverton	B/C		1,367,000	2.0	22.5	-17,000	$20.16
Laurel/Calverton	**A/B/C**	**27**	**1,557,000**	**2.3**	**22.1**	**-26,000**	**$20.65**
Rockville Pike Corridor	A		6,473,000	9.6	17.9	-34,000	$31.22
Rockville Pike Corridor	B/C		1,793,000	2.6	27.7	-6,000	$28.24
Rockville Pike Corridor	**A/B/C**	**62**	**8,266,000**	**12.2**	**20.0**	**-41,000**	**$30.57**
Silver Spring-Cbd	A		1,821,000	2.7	15.3	15,000	$34.15
Silver Spring-Cbd	B/C		2,664,000	3.9	17.5	-7,000	$25.74
Silver Spring-Cbd	**A/B/C**	**50**	**4,485,000**	**6.6**	**16.6**	**8,000**	**$29.15**
Silver Spring-Route 29	---		0	0.0	0.0	0	$0.00
Silver Spring-Route 29	B/C		2,013,000	3.0	13.1	6,000	$23.57
Silver Spring-Route 29	**A/B/C**	**31**	**2,501,000**	**3.7**	**12.9**	**7,000**	**$24.57**
Suitland/Oxon Hill	---		0	0.0	0.0	0	$0.00
Suitland/Oxon Hill	B/C		1,582,000	2.3	4.9	-1,000	$22.08
Suitland/Oxon Hill	**A/B/C**	**31**	**1,802,000**	**2.7**	**4.3**	**-1,000**	**$23.40**
Total A	A		31,794,900	47.0	16.9	-39,000	$33.71
Total B/C	B/C		33,970,000	50.2	20.7	-195,000	$25.33
Total/Average	**A/B/C**	**812**	**67,687,900**	**100.0**	**18.8**	**-234,000**	**$29.51**

Source:

As of third quarter 2018, the overall vacancy rate for the market is 18.8 percent. The subject's I-270/Gaithersburg-Germantown submarket has a vacancy rate of 17.2 percent.

The average asking rental rate for all types of space within the market is $29.51 per square foot. The subject's I-270/Gaithersburg-Germantown submarket has an average asking rental rate of $25.13 per square foot.

Class A buildings constitute 47.0 percent of existing inventory and are exhibiting a lower vacancy rate (16.9 percent) than Class B/C buildings (20.7 percent) and higher average asking rents of $33.71 versus $25.33 per square foot.

Supply

Inventory and Construction Completions

Between 2013 and 2017 a total of 2,165,000 square feet of space was completed or an average of 433,000 square feet per year. No new space was completed as of third quarter 2018. Over the next five years, Reis projects that an additional 3,168,000 square feet will completed the Suburban Maryland market.

Within the subject submarket, no space was completed between 2013 and 2017. Over the next five years, Reis projects that an additional 173,000 square feet of new space will be completed within the I-270/Gaithersburg-Germantown submarket.

The following table presents historical inventory and projected completions for the region and subject submarket.

HISTORICAL AND PROJECTED INVENTORY & COMPLETIONS (SF)

	Suburban Maryland					I-270/Gaithersburg-Germantown					
Year	Class A	Completions	Class B/C	Completions	Total Completions	Class A	Completions	Class B/C	Completions	Total Completions	% of Region
2013	32,509,000	766,000	35,408,000	0	766,000	2,269,000	0	2,829,000	0	0	0.0%
2014	33,123,900	711,000	35,346,000	0	711,000	2,269,000	0	2,829,000	0	0	0.0%
2015	33,226,900	227,000	35,124,000	0	227,000	2,269,000	0	2,829,000	0	0	0.0%
2016	33,502,900	276,000	34,530,000	0	276,000	2,269,000	0	2,418,000	0	0	0.0%
2017	33,642,900	185,000	33,970,000	0	185,000	2,269,000	0	2,418,000	0	0	0.0%
3Q18	33,717,900	0	33,970,000	0	0	2,269,000	0	2,418,000	0	0	0.0%
2018	---	---	---	---	75,000	---	---	---	---	0	0.0%
2019	---	---	---	---	309,000	---	---	---	---	0	0.0%
2020	---	---	---	---	1,177,000	---	---	---	---	43,000	3.7%
2021	---	---	---	---	424,000	---	---	---	---	61,000	14.4%
2022	---	---	---	---	1,183,000	---	---	---	---	69,000	5.8%
2013-2017											
Total Completions		**2,165,000**		**0**	**2,165,000**		**0**		**0**	**0**	
Annual Average		**433,000**		**0**	**433,000**		**0**		**0**	**0**	**0.0%**

Source: Reis, Inc.

Demand

Vacancy Rates

As shown in the following chart, vacancy rates increased from 15.4 in 2013 to 18.3 percent in 2017. For third quarter 2018 the vacancy rate stands at 18.8 percent. Over the near term, Reis projects a rise in vacancy levels for Suburban Maryland, with vacancy ranging from 18.7 to in 2018 to 18.9 percent in 2022.

Between 2013 and 2017, vacancy rates increased from 16.6 to 17.1 percent. The current vacancy rate for the submarket is 17.2 percent. Over the near term, Reis is projecting a decline in vacancy for the I-270/Gaithersburg-Germantown submarket, with vacancy levels ranging from 17.0 percent in 2018 to 15.9 percent in 2022.

The following table presents historical and projected vacancy rates for the region and subject submarket.

HISTORICAL AND PROJECTED VACANCY RATES (%)

	Suburban Maryland			I-270/Gaithersburg-Germantown		
Year	Class A	Class B/C	Total	Class A	Class B/C	Total
2013	14.3	16.4	15.4	18.6	15.0	16.6
2014	16.0	18.3	17.2	19.8	12.8	15.9
2015	16.6	18.1	17.4	20.9	10.3	15.0
2016	16.5	19.1	17.9	10.5	17.1	13.9
2017	16.8	19.8	18.3	12.1	21.8	17.1
3Q18	16.9	20.7	18.8	11.3	22.7	17.2
2018	---	---	18.7	---	---	17.0
2019	---	---	18.6	---	---	16.4
2020	---	---	18.8	---	---	15.9
2021	---	---	18.7	---	---	15.4
2022	---	---	18.9	---	---	15.9

Source: Reis, Inc.
Note: Reis does not differentiate between space that is available directly from the landlord or as a sublease. Any space that is available immediately for leasing (i.e. within 30 days) is considered vacant by Reis' standards.

As shown, Class A buildings within the region are exhibiting a lower vacancy rate (16.9 percent) than Class B/C buildings (20.7 percent). Within the subject submarket, Class A buildings are exhibiting lower vacancies than Class B/C buildings (11.3 percent versus 22.7 percent).

Absorption Trends

Absorption measures change in the level of occupied space in a geographic region over a specific period of time. Absorption is not a measure of leasing activity. It reflects increasing, stable or decreasing demand for space. If the level of occupied space increases from one period to the next, demand has increased. If no change has occurred, demand is stable. If the level of occupied space is lower, demand has decreased. All things being equal, positive absorption lowers vacancy rates and negative absorption increases vacancy rates. A newly constructed building that enters the marketplace vacant will adversely affect the vacancy rate but have no bearing on absorption since it has not altered the level of occupancy.

Over the past few years, new construction activity within the Suburban Maryland region has exceeded absorption. As shown in the following table, an annual average of 433,000 square feet of space was completed in the region between 2013 and 2017, while -393,800 square feet was absorbed. Over the next five years, Reis projects that construction will exceed absorption with new construction totaling 3,168,000 square feet, and absorption totaling 2,179,000 square feet.

Between 2013 and 2017, new construction within the I-270/Gaithersburg-Germantown submarket outpaced absorption, with an annual average of 0 square feet completed and -85,400 square feet absorbed. Over the next five years, Reis projects that new construction will not surpass absorption (new construction will total 173,000 square feet, and 204,000 square feet is expected to be absorbed).

The following table presents historical and projected absorption levels and completions for the region and the subject submarket.

HISTORIC AND PROJECTED NET ABSORPTION (SF)

	Suburban Maryland				I-270/Gaithersburg-Germantown			
Year	Class A	Class B/C	Total Absorption	Total Completions	Class A	Class B/C	Total Absorption	Total Completions
2013	484,000	-244,000	238,000	766,000	9,000	-70,000	-61,000	0
2014	-34,000	-735,000	-767,000	711,000	-27,000	62,000	35,000	0
2015	-121,000	-108,000	-228,000	227,000	-25,000	71,000	46,000	0
2016	264,000	-845,000	-582,000	276,000	236,000	-533,000	-297,000	0
2017	36,000	-666,000	-630,000	185,000	-36,000	-113,000	-150,000	0
3Q18	-39,000	-195,000	-235,000	0	26,000	-34,000	-9,000	0
2018	---	---	-185,000	75,000	---	---	4,000	0
2019	---	---	259,000	309,000	---	---	28,000	0
2020	---	---	819,000	1,177,000	---	---	61,000	43,000
2021	---	---	419,000	424,000	---	---	76,000	61,000
2022	---	---	867,000	1,183,000	---	---	35,000	69,000
2013-2017								
Total Absorption	**629,000**	**-2,598,000**	**-1,969,000**	**2,165,000**	**157,000**	**-583,000**	**-427,000**	**0**
Annual Average	**125,800**	**-519,600**	**-393,800**	**433,000**	**31,400**	**-116,600**	**-85,400**	**0**

Source: Reis, Inc.

Rental Rate Trends

As shown in the following chart, average asking rents in the Suburban Maryland region have jumped from $28.28 per square foot in 2013 to $29.43 per square in 2017, indicating a compound annual growth rate (CAGR) of 1.0 percent. In the next five years, average asking rents are expected to increase from $29.61 per square foot in 2018 to $30.85 per square foot in 2022. Currently the average asking rent stands at $29.51 per square foot.

Average asking rental rates in the I-270/Gaithersburg-Germantown submarket increased from an average of $23.47 per square foot in 2013 to $24.56 per square foot in 2017, demonstrating a CAGR of 1.1 percent. Over the next five years, average asking rents are expected to increase from $25.24 per square foot in 2018 to $26.43 per square foot in 2022. The current average asking rent stands at $25.13 per square foot.

The following table presents historical and projected average asking rental rates for the region and subject submarket.

Historical and Projected Average Asking Rental Rates ($/SF)

	Suburban Maryland					I-270/Gaithersburg-Germantown				
Year	Class A	Class B/C	Total	% Change	Effective Rent	Class A	Class B/C	Total	% Change	Effective Rent
2013	$32.39	$24.50	$28.28	0.5	$23.20	$25.66	$21.71	$23.47	2.4	$17.53
2014	$32.98	$24.68	$28.69	1.4	$23.54	$25.98	$21.96	$23.75	1.2	$17.76
2015	$33.17	$24.90	$28.92	0.8	$23.76	$25.81	$22.00	$23.70	-0.2	$17.72
2016	$33.46	$25.23	$29.28	1.2	$24.09	$25.87	$22.88	$24.33	2.7	$18.30
2017	$33.65	$25.25	$29.43	0.5	$24.21	$26.18	$23.04	$24.56	0.9	$18.39
3Q18	$33.71	$25.33	$29.51	0.0	$24.28	$26.63	$23.68	$25.13	-0.1	$18.86
2018	---	---	$29.61	0.6	$24.33	---	---	$25.24	2.8	$18.91
2019	---	---	$29.88	0.9	$24.55	---	---	$25.60	1.4	$19.17
2020	---	---	$30.14	0.9	$24.79	---	---	$25.91	1.2	$19.36
2021	---	---	$30.44	1.0	$25.09	---	---	$26.16	1.0	$19.54
2022	---	---	$30.85	1.3	$25.44	---	---	$26.43	1.0	$19.75
2013-2017 CAGR	**0.96%**	**0.76%**	**1.00%**			**0.50%**	**1.50%**	**1.14%**		

Source: Reis, Inc.
Notes: CAGR stands for Compound Annual Growth Rate. Asking rents cited by Reis reflect the advertised rental rates for actively marketed space. Effective rents net of any rental concessions, expressed over the life of the lease term. Reis quotes Office rents on a Gross basis.

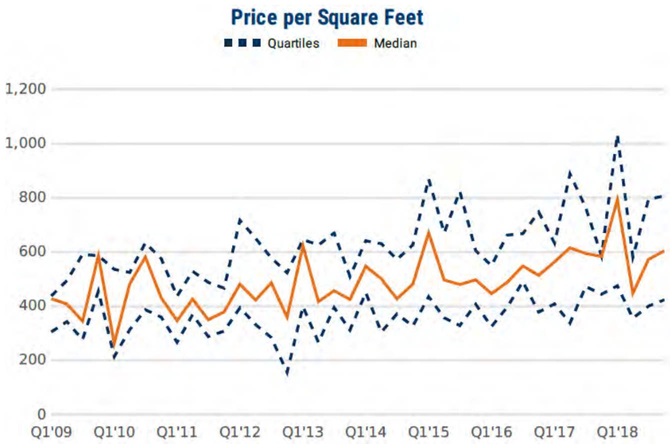
As shown, Class A buildings within the region are exhibiting higher average asking rents ($33.71 per square foot) than Class B/C buildings ($25.33 per square foot). Within the subject submarket, Class A buildings have higher average asking rents than Class B/C buildings ($26.63 per square foot versus $23.68 per square foot).

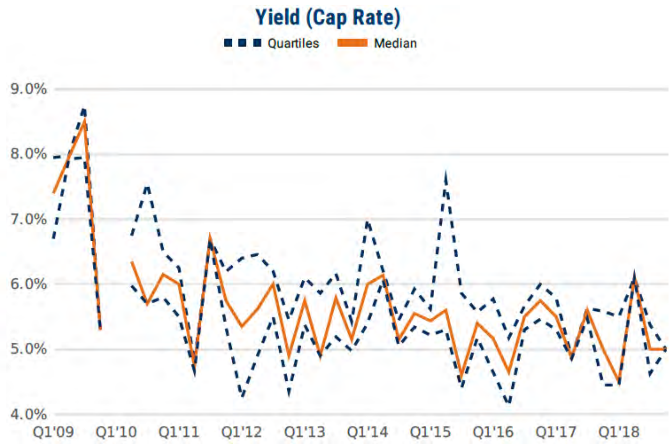
Suburban Maryland Office Conclusion

Vacancy levels for the Suburban Maryland Office market have increased since 2013 and are expected to rise from 18.7 percent next year to 18.9 percent in 2022. Over the near term, new construction activity should exceed absorption, and average asking rates are forecasted to range from $29.61 per square foot at the end of next year to $30.85 per square foot in 2022.

Washington DC Office Investment Sales Market

According to Real Capital Analytics, 49 office sale transactions closed in the 12 months ending December 2018, with a total volume of $4.4 billion, averaging a price of approximately $663 per square foot. The 49 buildings total 7.0 million square feet. Capitalization rates for this period averaged 5.2 percent, with an average of 5.0 percent reported for the fourth quarter of 2018. As shown in the following graphic, prices have generally trended downward since late 2014 and have consistently been above the benchmark (United States) averages. Capitalization rates have trended downward during this period and have spent time below national averages, but generally trending in the same direction.





Source: *Real Capital Analytics*

Subject – One Washingtonian Center

Location and Description

One Washingtonian Center is located at 9801 Washingtonian Boulevard, Gaithersburg, Montgomery County, MD. The property is situated in the Gaithersburg submarket of the Montgomery County Office Market. The location is in the I-270 Corridor, a leading bio-tech and medical research market.

The subject is a 13-story, Class A, multi-tenant office building that contains 314,175 square feet of rentable area situated on a 222,156 square foot site. The improvements were completed in 1989 and are in good condition. The building is the tallest in the immediate area and has good visibility from I-270. In addition, there is retail and fitness center amenities located proximate to the subject and numerous restaurants.

The primary tenant is Sodexo. It occupies approximately 61 percent of the leasable area and it lease does not expire until 2023. The other major tenant is Covance, which occupies 15 percent of the leaseable area until 2026.

Transportation and Connectivity

Local area accessibility is generally good, relying on the following transportation arteries:

Local: Immediate access is from a curb cut from Washingtonian Boulevard.

Regional: I-270 provides regional access to Frederick to the north and the Capital Beltway to the south. The closest access point is from Shady Grove Road approximately two mile south.

Competitive Market Survey – Micro Market

In order to gain a better understanding of the market conditions specific to the subject, we conducted a survey of those buildings that would be considered most competitive to the subject.

Micro Market Snapshot

We have identified office buildings with the following characteristics as being directly competitive with the subject.

- Office product in the immediate vicinity built since 1990
- Class A / B+ product

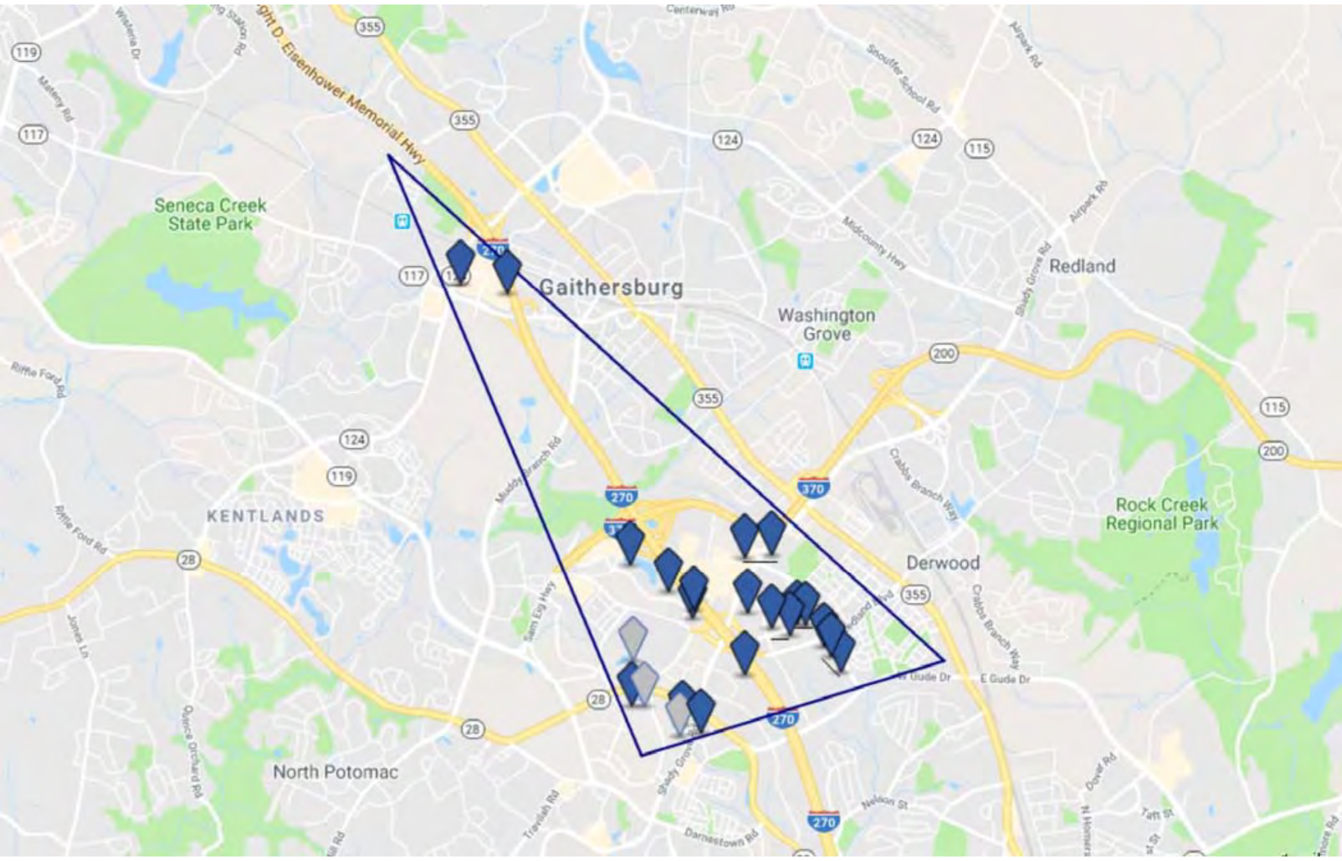
The following table contains the results of a CoStar Group and Cushman & Wakefield survey of existing competitive properties. These buildings are similar in terms of location, physical attributes, and access to amenities:

COMPETITIVE MICRO MARKET

No.	Name	Address	Parking Ratio	Year Built	Stories	RBA (SF)	Direct Vacant SF	% Leased	Ask Rate/SF	Expenses	FS Equivalent
S	**One Washingtonian Center**	**9801 Washingtonian Boulevard**	**3.89**	**1989**	**13**	**314,175**	**7,165**	**97.7**	**$35.50**	**Full Service Gross**	**$35.50**
1	The Blackwell Building	9600 Blackwell	3.00	2001	5	101,000	0	100.0	-	Full Service Gross	**-**
2	Shady Grove Medical Pavilion	9601 Blackwell	3.80	2000	5	122,086	32,663	73.3	$35.00	Full Service Gross	**$35.00**
3	Park Plaza I	2101 Gaither Rd	4.00	1991	6	137,329	4,169	97.0	$29.50	Full Service Gross	**$29.50**
4	NASD	9509 Key West Ave	2.88	2000	6	260,000	0	100.0	-	-	**-**
5	MRIS Building	9707 Key West Ave	3.50	2008	3	72,000	6,280	91.3	$27.50	Full Service Gross	**$27.50**
6	Three Irvington Centre	800 King Farm Blvd	3.60	2002	6	231,416	47,127	79.6	$31.25	Full Service Gross	**$31.25**
7	Four Irvington Centre	805 King Farm Blvd	2.01	2007	6	224,258	9,764	95.7	$35.00	Full Service Gross	**$35.00**
8		9605 Medical Center Dr	3.50	2004	3	115,691	0	100.0	$29.50	Full Service Gross	**$29.50**
9	National Cancer Institute	9609 Medical Center Dr	0.32	2012	7	588,891	0	100.0	-	-	**-**
10	Key West Research Center Bldg 3	9610 Medical Center Dr	3.00	1991	3	50,000	0	100.0	-	-	**-**
11	Research 28	1441 W Montgomery Ave	4.00	1990	4	64,432	0	100.0	-	-	**-**
12	Research Plaza 1 & 2	1445-1455 Research Blvd	3.72	1998	5	193,930	52,554	72.9	$29.50	Full Service Gross	**$29.50**
13		2200 Research Blvd	3.50	2007	5	141,326	1,638	98.8	$31.00	Full Service Gross	**$31.00**
14	ROCCENTER270 (Bldg 3)	2273 Research Blvd	3.39	1999	7	157,379	36,780	76.6	$29.75	Full Service Gross	**$29.75**
15	ROCCENTER270 (Bldg 2)	2275 Research Blvd	3.30	1990	7	149,231	19,700	86.8	$29.75	Full Service Gross	**$29.75**
16	One Research Court	1 Research Ct	4.00	2001	4	113,620	9,320	91.8	$26.50	Full Service Gross	**$26.50**
17	77 Upper Rock	77 Upper Rock Cir	4.00	2005	8	232,282	227,894	1.9	$32.50	Full Service Gross	**$32.50**
18	Lakefront at Washingtonian	9841 Washingtonian Blvd	3.38	2006	5	103,823	4,243	95.9	$37.29	Full Service Gross	**$37.29**
19	Fallsgrove Village Center	14955 Shady Grove Rd	4.00	2002	3	75,000	9,287	87.9	Withheld	-	**Withheld**
20	Fallsgrove Plaza	14995 Shady Grove Rd	4.00	2014	5	111,476	75,962	31.9	Withheld	-	**Withheld**
21	Shady Grove Professional Center	15001 Shady Grove Rd	4.30	1999	4	51,689	42,457	17.9	Withheld	-	**Withheld**
22	Shady Grove Professional Center II	15005 Shady Grove Rd	3.30	2002	4	52,167	0	73.7	Withheld	-	**Withheld**
23	The Summit at Washingtonian I	9711 Washingtonian Blvd	3.30	2009	8	193,199	0	100.0	-	-	**Withheld**
24	Two Washingtonian Center	9737 Washingtonian Blvd	4.40	2002	6	293,004	0	100.0	-	-	**Withheld**
OVERALL STATISTICS INCLUDING SUBJECT											
Low:			0.32	1989	3	50,000	0	1.9	$26.50		$26.50
High:			4.40	2014	13	588,891	227,894	100.0	$37.29		$37.29
Average/Total:			**3.44**	**2001**	**6**	**165,976**	**23,480**	**85.5**	**$31.40**		**$31.40**

FS- 'Full Service Gross'
Source: CoStar Goup, Inc. and Cushman & Wakefield of Washington, D.C., Inc.

COMPETITION MAP



We surveyed 24 competitive office buildings within the submarket, including the subject, containing approximately 4.5 million square feet. The average vacancy is approximately 20.8 percent, which is above the county-wide average of 16.6 percent

Average asking rates for competitive office space range from $23.00 to $35.00 per square foot, with an average of $30.17 per square foot on an equivalent full service (FS) rental basis. A “full service” lease structure is defined by market participants as tenants responsible for any increases in operating expenses over base year occupancy including real estate taxes, insurance, common area maintenance and utilities. Lease rates include a tenant improvement package ranging from $2.00 to $10.00 per square foot per year of the lease term for new leases, and none (As Is) to $3.00 per square foot per year of the lease term for renewal leases. Lease terms typically reflect annual escalations 2.5 to 3.0 percent for full service leases. The range in average asking rental rates is primarily based on the lease term, tenant quality, property location, the quality and amount of tenant buildout, and other property characteristics.

The subject falls generally in the upper portion of this set in terms of access to local amenities, overall quality/condition, and parking facilities. Accordingly, it commands rents in line with those assumptions.

Subject’s Competitive Market Position

The subject is considered a Class A office complex by market participants based on its quality, condition and tenancy. The subject benefits from being located within a well-established submarket centrally located within the Baltimore-Washington Corridor, proximate to primary demand generators and local area amenities. In addition, the subject is located within the community of Gaithersburg, which has a significant household base that supports professional and financial services and healthcare-related office tenancy. The subject also benefits from being located near major thoroughfares and public transportation with good accessibility from surrounding markets, although its distance from a Metro station is a negative. The subject's immediate market reflects a competitive supply of available office space with stable rental rates. The subject offers adequate local amenities that are attractive to prospective tenants as evidenced by its current tenancy. Thus, based on the subject's locational characteristics, project quality and current tenancy, the subject has a good competitive position in comparison to other comparable buildings within the immediate market.

Micro Market Outlook and Conclusions

Job growth in Suburban Maryland was modest to close 2018 with 8,100 net new nonfarm jobs added to payrolls. Among office-using sectors, Professional and Business Services boasted the largest number of positions, adding 2,600 jobs year- over-year (YOY). The Education and Healthcare and Construction sectors rounded out positive growth with 2,600 and 2,500 jobs, respectively. Year-to-date absorption remained 366,000 sf above the five-year average of 37,000 sf. Once the JBG Smith building at 4747 Bethesda Avenue delivers in July, the market could see a significant spike in asking rental rates if the building is not fully leased.

SWOT ANALYSIS

Strengths

- The subject has visibility from I-270.
- It is well leased with Sodexo as a long term tenant.
- It is located in a successful mixed use community.

Weaknesses

- Office vacancies remain elevated in Montgomery County

Opportunities

- The subject can command market rent on its remaining vacant space

Threats

- The local economy is dependent on Federal Government spending.

Washington D.C. Area – Suburban Virginia - Reston

For discussion on the Washington DC region, please refer to the discussion on the One Washingtonian Center property, discussed earlier.

Suburban Virginia Office Market and Reston Office Submarket

Introduction

Reston Square is located within the Washington, D.C. Area, more specifically part of the Suburban Virginia market which represents a component of the Washington, D.C. Area. Reis, Inc. classifies the Suburban Virginia Office market into twenty-two submarkets, and segregates inventory by type of space (Class A versus Class B/C). The subject lies within the Reston submarket of Suburban Virginia.

Submarket Snapshot

The Suburban Virginia Office market contains 143,296,000 square feet of space. Tysons Corner/Vienna is the largest submarket, comprising 18.0 percent of the area's total inventory. Sterling is the smallest submarket with 0.8 percent of total inventory. The subject submarket contains 12,970,000 square feet, or 9.1 percent of the region's inventory.

The following table presents the geographic distribution of inventory, along with other statistical information.

GEOGRAPHIC DISTRIBUTION OF INVENTORY							
Submarket	Class	No. of Buildings	Inventory (SF)	% Total	Vacancy Rate (%)	Net Absorption	Asking Rent ($/SF)
Annandale/Bailey's Crossroads	A		2,805,000	2.0	34.7	12,000	$33.15
Annandale/Bailey's Crossroads	B/C		1,665,000	1.2	14.7	6,000	$27.67
Annandale/Bailey's Crossroads	**A/B/C**	**50**	**4,470,000**	**3.1**	**27.2**	**18,000**	**$31.14**
Ballston/Clarendon	A		6,698,000	4.7	26.3	167,000	$38.72
Ballston/Clarendon	B/C		1,836,000	1.3	16.4	-37,000	$36.80
Ballston/Clarendon	**A/B/C**	**60**	**8,534,000**	**6.0**	**24.2**	**128,000**	**$38.26**
Braddock Metro/King St. Metro	A		4,641,000	3.2	10.6	3,000	$38.98
Braddock Metro/King St. Metro	B/C		2,068,000	1.4	11.3	10,000	$34.72
Braddock Metro/King St. Metro	**A/B/C**	**50**	**6,709,000**	**4.7**	**10.8**	**13,000**	**$37.72**
Chantilly/Centreville	A		4,429,000	3.1	23.1	459,000	$29.79
Chantilly/Centreville	B/C		3,517,000	2.5	22.9	-7,000	$24.06
Chantilly/Centreville	**A/B/C**	**101**	**7,946,000**	**5.5**	**23.0**	**451,000**	**$27.26**
Crystal City	A		8,469,000	5.9	9.3	129,000	$41.63
Crystal City	B/C		2,881,000	2.0	41.2	-96,000	$34.28
Crystal City	**A/B/C**	**43**	**11,350,000**	**7.9**	**17.4**	**34,000**	**$39.73**
Fair Oaks	A		3,242,000	2.3	24.9	-23,000	$33.65
Fair Oaks	B/C		2,472,000	1.7	36.0	6,000	$26.86
Fair Oaks	**A/B/C**	**57**	**5,714,000**	**4.0**	**29.7**	**-17,000**	**$30.72**
Fairfax City/Oakton	A		1,348,000	0.9	17.2	6,000	$30.16
Fairfax City/Oakton	B/C		2,484,000	1.7	18.8	-8,000	$25.25
Fairfax City/Oakton	**A/B/C**	**77**	**3,832,000**	**2.7**	**18.2**	**0**	**$26.98**
Falls Church	A		1,524,000	1.1	23.6	-10,000	$39.25
Falls Church	B/C		1,405,000	1.0	21.9	-2,000	$28.24
Falls Church	**A/B/C**	**46**	**2,929,000**	**2.0**	**22.8**	**-12,000**	**$33.95**
Herndon	A		7,804,000	5.4	17.5	39,000	$35.05
Herndon	B/C		5,432,000	3.8	24.6	-106,000	$29.24
Herndon	**A/B/C**	**137**	**13,236,000**	**9.2**	**20.4**	**-66,000**	**$32.68**
I-395/Landmark	A		920,000	0.6	32.5	-13,000	$36.01
I-395/Landmark	B/C		1,391,000	1.0	36.7	7,000	$29.48
I-395/Landmark	**A/B/C**	**25**	**2,311,000**	**1.6**	**35.0**	**-7,000**	**$32.07**
Leesburg/Route 7/Route 28 Corridor	---		0	0.0	0.0	0	$0.00
Leesburg/Route 7/Route 28 Corridor	B/C		1,390,000	1.0	10.6	15,000	$20.12
Leesburg/Route 7/Route 28 Corridor	**A/B/C**	**80**	**3,841,000**	**2.7**	**10.4**	**16,000**	**$25.62**
Manassas/Gainesville	---		0	0.0	0.0	0	$0.00
Manassas/Gainesville	B/C		1,613,000	1.1	16.9	22,000	$21.32
Manassas/Gainesville	**A/B/C**	**50**	**1,687,000**	**1.2**	**16.5**	**22,000**	**$21.91**
Mclean	A		341,000	0.2	12.3	-11,000	$38.81
Mclean	B/C		1,196,000	0.8	7.4	0	$34.49
Mclean	**A/B/C**	**35**	**1,537,000**	**1.1**	**8.5**	**-11,000**	**$35.41**
Old Town West	A		424,000	0.3	19.6	-3,000	$33.79
Old Town West	B/C		689,000	0.5	21.3	2,000	$29.55
Old Town West	**A/B/C**	**33**	**1,113,000**	**0.8**	**20.7**	**-1,000**	**$31.15**
Old Town/Waterfront	A		847,000	0.6	19.8	6,000	$37.79
Old Town/Waterfront	B/C		1,636,000	1.1	13.9	-25,000	$30.46
Old Town/Waterfront	**A/B/C**	**40**	**2,483,000**	**1.7**	**15.9**	**-18,000**	**$32.96**
Reston	A		8,939,000	6.2	14.2	-145,000	$36.53
Reston	B/C		4,031,000	2.8	17.7	-22,000	$27.78
Reston	**A/B/C**	**141**	**12,970,000**	**9.1**	**15.3**	**-168,000**	**$33.85**
Rosslyn/Courthouse	A		7,843,000	5.5	14.6	135,000	$46.83
Rosslyn/Courthouse	B/C		4,027,000	2.8	26.7	-111,000	$37.52
Rosslyn/Courthouse	**A/B/C**	**62**	**11,870,000**	**8.3**	**18.7**	**23,000**	**$43.63**
Shirlington	A		1,256,000	0.9	11.9	9,000	$34.23
Shirlington	B/C		625,000	0.4	27.8	7,000	$31.00
Shirlington	**A/B/C**	**27**	**1,881,000**	**1.3**	**17.3**	**14,000**	**$33.16**
Springfield/Southern Fairfax	A		2,405,000	1.7	44.9	3,000	$34.27
Springfield/Southern Fairfax	B/C		4,077,000	2.8	22.4	-100,000	$23.89
Springfield/Southern Fairfax	**A/B/C**	**101**	**6,482,000**	**4.5**	**30.8**	**-97,000**	**$27.74**
Sterling	---		0	0.0	0.0	0	$0.00
Sterling	-/-		0	0.0	0.0	0	$0.00
Sterling	**A/B/C**	**133**	**5,279,000**	**3.7**	**29.5**	**-10,000**	**$25.13**
Tysons Corner/Vienna	A		18,261,000	12.7	16.1	-119,000	$36.62
Tysons Corner/Vienna	B/C		7,558,000	5.3	25.3	94,000	$30.26
Tysons Corner/Vienna	**A/B/C**	**212**	**25,819,000**	**18.0**	**18.8**	**-26,000**	**$34.72**
Woodbridge	---		0	0.0	0.0	0	$0.00
Woodbridge	B/C		1,303,000	0.9	11.2	0	$22.39
Woodbridge	**A/B/C**	**55**	**1,303,000**	**0.9**	**11.2**	**-3,000**	**$22.39**
Total A	A		82,196,000	57.4	18.1	580,000	$37.11
Total B/C	B/C		53,296,000	37.2	23.4	-293,000	$28.66
Total/Average	**A/B/C**	**1615**	**143,296,000**	**100.0**	**20.2**	**287,000**	**$33.74**

Source:

As of third quarter 2018, the overall vacancy rate for the market is 20.2 percent. The subject's Reston submarket has a vacancy rate of 15.3 percent.

The average asking rental rate for all types of space within the market is $33.74 per square foot. The subject's Reston submarket has an average asking rental rate of $33.85 per square foot.

Class A buildings constitute 57.4 percent of existing inventory and are exhibiting a lower vacancy rate (18.1 percent) than Class B/C buildings (23.4 percent) and higher average asking rents of $37.11 versus $28.66 per square foot.

Supply

Inventory and Construction Completions

Between 2013 and 2017 a total of 3,990,000 square feet of space was completed or an average of 798,000 square feet per year. No new space was completed as of third quarter 2018. Over the next five years, Reis projects that an additional 8,321,000 square feet will completed the Suburban Virginia market.

Within the subject submarket, a total of 365,000 square feet of space was completed between 2013 and 2017. Over the next five years, Reis projects that an additional 588,000 square feet of new space will be completed within the Reston submarket.

The following table presents historical inventory and projected completions for the region and subject submarket.

HISTORICAL AND PROJECTED INVENTORY & COMPLETIONS (SF)											
	Suburban Virginia					Reston					
Year	Class A	Completions	Class B/C	Completions	Total Completions	Class A	Completions	Class B/C	Completions	Total Completions	% of Region
2013	80,296,000	1,270,000	57,848,000	0	1,270,000	8,574,000	0	4,389,000	0	0	0.0%
2014	81,235,000	939,000	57,848,000	0	939,000	8,574,000	0	4,216,000	0	0	0.0%
2015	83,962,000	489,000	57,618,000	0	489,000	8,574,000	0	4,216,000	0	0	0.0%
2016	83,742,000	0	57,257,000	23,000	23,000	8,574,000	0	4,174,000	0	0	0.0%
2017	85,111,000	1,269,000	57,100,000	0	1,269,000	8,939,000	365,000	4,106,000	0	365,000	28.8%
3Q18	86,314,000	480,000	56,982,000	0	480,000	8,939,000	0	4,031,000	0	0	0.0%
2018	---	---	---	---	1,300,000	---	---	---	---	0	0.0%
2019	---	---	---	---	4,421,000	---	---	---	---	418,000	9.5%
2020	---	---	---	---	1,291,000	---	---	---	---	44,000	3.4%
2021	---	---	---	---	622,000	---	---	---	---	59,000	9.5%
2022	---	---	---	---	687,000	---	---	---	---	67,000	9.8%
2013-2017											
Total Completions		**3,967,000**		**23,000**	**3,990,000**		**365,000**		**0**	**365,000**	
Annual Average		**793,400**		**4,600**	**798,000**		**73,000**		**0**	**73,000**	**9.1%**

Source: Reis, Inc.

Demand

Vacancy Rates

As shown in the following chart, vacancy rates increased from 18.1 in 2013 to 19.5 percent in 2017. For third quarter 2018 the vacancy rate stands at 20.2 percent. Over the near term, Reis projects a rise in vacancy levels for Suburban Virginia, with vacancy ranging from 20.1 to in 2018 to 20.6 percent in 2022.

Between 2013 and 2017, vacancy rates increased from 13.2 to 13.2 percent. The current vacancy rate for the submarket is 15.3 percent. Over the near term, Reis is projecting a rise in vacancy for the Reston submarket, with vacancy levels ranging from 15.1 percent in 2018 to 15.9 percent in 2022.

The following table presents historical and projected vacancy rates for the region and subject submarket.

HISTORICAL AND PROJECTED VACANCY RATES (%)						
	Suburban Virginia			Reston		
Year	Class A	Class B/C	Total	Class A	Class B/C	Total
2013	17.1	19.7	18.1	10.3	18.9	13.2
2014	17.5	19.8	18.5	10.4	14.4	11.7
2015	19.5	20.3	19.8	9.0	16.3	11.4
2016	18.9	20.7	19.7	8.9	13.5	10.4
2017	18.0	21.7	19.5	12.1	15.5	13.2
3Q18	18.1	23.4	20.2	14.2	17.7	15.3
2018	---	---	20.1	---	---	15.1
2019	---	---	20.3	---	---	16.1
2020	---	---	20.4	---	---	15.9
2021	---	---	20.4	---	---	15.7
2022	---	---	20.6	---	---	15.9

Source: Reis, Inc.
Note: Reis does not differentiate between space that is available directly from the landlord or as a sublease. Any space that is available immediately for leasing (i.e. within 30 days) is considered vacant by Reis' standards.

As shown, Class A buildings within the region are exhibiting a lower vacancy rate (18.1 percent) than Class B/C buildings (23.4 percent). Within the subject submarket, Class A buildings are exhibiting lower vacancies than Class B/C buildings (14.2 percent versus 17.7 percent).

Absorption Trends

Absorption measures change in the level of occupied space in a geographic region over a specific period of time. Absorption is not a measure of leasing activity. It reflects increasing, stable or decreasing demand for space. If the level of occupied space increases from one period to the next, demand has increased. If no change has occurred, demand is stable. If the level of occupied space is lower, demand has decreased. All things being equal, positive absorption lowers vacancy rates and negative absorption increases vacancy rates. A newly constructed building that enters the marketplace vacant will adversely affect the vacancy rate but have no bearing on absorption since it has not altered the level of occupancy.

Over the past few years, new construction activity within the Suburban Virginia region has exceeded absorption. As shown in the following table, an annual average of 798,000 square feet of space was completed in the region between 2013 and 2017, while 91,000 square feet was absorbed. Over the next five years, Reis projects that construction will exceed absorption with new construction totaling 8,321,000 square feet, and absorption totaling 4,910,000 square feet.

Between 2013 and 2017, new construction within the Reston submarket outpaced absorption, with an annual average of 73,000 square feet completed and 1,200 square feet absorbed. Over the next five years, Reis projects that new construction will surpass absorption (new construction will total 588,000 square feet, and 86,000 square feet is expected to be absorbed).

The following table presents historical and projected absorption levels and completions for the region and the subject submarket.

HISTORIC AND PROJECTED NET ABSORPTION (SF)								
	Suburban Virginia				Reston			
Year	Class A	Class B/C	Total Absorption	Total Completions	Class A	Class B/C	Total Absorption	Total Completions
2013	199,000	-1,178,000	-979,000	1,270,000	3,000	-68,000	-65,000	0
2014	383,000	-62,000	321,000	939,000	-8,000	50,000	42,000	0
2015	585,000	-494,000	90,000	489,000	119,000	-81,000	38,000	0
2016	325,000	-520,000	-195,000	23,000	8,000	82,000	90,000	0
2017	1,907,000	-692,000	1,218,000	1,269,000	44,000	-143,000	-99,000	365,000
3Q18	580,000	-293,000	283,000	480,000	-145,000	-22,000	-168,000	0
2018	---	---	31,000	1,300,000	---	---	-311,000	0
2019	---	---	3,298,000	4,421,000	---	---	225,000	418,000
2020	---	---	876,000	1,291,000	---	---	63,000	44,000
2021	---	---	389,000	622,000	---	---	77,000	59,000
2022	---	---	316,000	687,000	---	---	32,000	67,000
2013-2017								
Total Absorption	**3,399,000**	**-2,946,000**	**455,000**	**3,990,000**	**166,000**	**-160,000**	**6,000**	**365,000**
Annual Average	**679,800**	**-589,200**	**91,000**	**798,000**	**33,200**	**-32,000**	**1,200**	**73,000**

Source: Reis, Inc.

Rental Rate Trends

As shown in the following chart, average asking rents in the Suburban Virginia region have jumped from $32.19 per square foot in 2013 to $33.44 per square in 2017, indicating a compound annual growth rate (CAGR) of 1.0 percent. In the next five years, average asking rents are expected to increase from $33.85 per square foot in 2018 to $35.42 per square foot in 2022. Currently the average asking rent stands at $33.74 per square foot.

Average asking rental rates in the Reston submarket increased from an average of $31.75 per square foot in 2013 to $33.23 per square foot in 2017, demonstrating a CAGR of 1.1 percent. Over the next five years, average asking rents are expected to increase from $34.00 per square foot in 2018 to $36.50 per square foot in 2022. The current average asking rent stands at $33.85 per square foot.

The following table presents historical and projected average asking rental rates for the region and subject submarket.

Historical and Projected Average Asking Rental Rates ($/SF)										
	Suburban Virginia					Reston				
Year	Class A	Class B/C	Total	% Change	Effective Rent	Class A	Class B/C	Total	% Change	Effective Rent
2013	$35.76	$27.24	$32.19	0.8	$26.80	$33.99	$27.36	$31.75	1.8	$26.09
2014	$36.11	$27.41	$32.49	0.9	$27.07	$34.18	$26.99	$31.81	0.2	$26.22
2015	$35.97	$27.74	$32.62	0.4	$27.19	$34.29	$27.25	$31.97	0.5	$26.42
2016	$36.35	$28.09	$32.99	1.1	$27.53	$35.00	$27.79	$32.64	2.1	$27.06
2017	$36.86	$28.35	$33.44	1.4	$27.95	$35.86	$27.51	$33.23	1.8	$27.52
3Q18	$37.11	$28.66	$33.74	0.2	$28.19	$36.53	$27.78	$33.85	0.7	$28.03
2018	---	---	$33.85	1.2	$28.25	---	---	$34.00	2.3	$28.07
2019	---	---	$34.09	0.7	$28.40	---	---	$34.57	1.7	$28.46
2020	---	---	$34.50	1.2	$28.69	---	---	$35.18	1.8	$28.84
2021	---	---	$34.97	1.4	$29.07	---	---	$35.84	1.9	$29.29
2022	---	---	$35.42	1.3	$29.44	---	---	$36.50	1.8	$29.69
2013-2017 CAGR	**0.76%**	**1.00%**	**0.96%**			**1.35%**	**0.14%**	**1.15%**		

Source: Reis, Inc.
Notes: CAGR stands for Compound Annual Growth Rate. Asking rents cited by Reis reflect the advertised rental rates for actively marketed space. Effective rents net of any rental concessions, expressed over the life of the lease term. Reis quotes Office rents on a Gross basis.

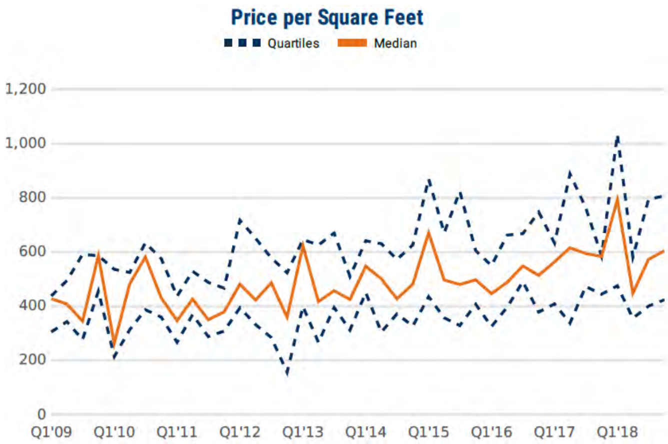
As shown, Class A buildings within the region are exhibiting higher average asking rents ($37.11 per square foot) than Class B/C buildings ($28.66 per square foot). Within the subject submarket, Class A buildings have higher average asking rents than Class B/C buildings ($36.53 per square foot versus $27.78 per square foot).

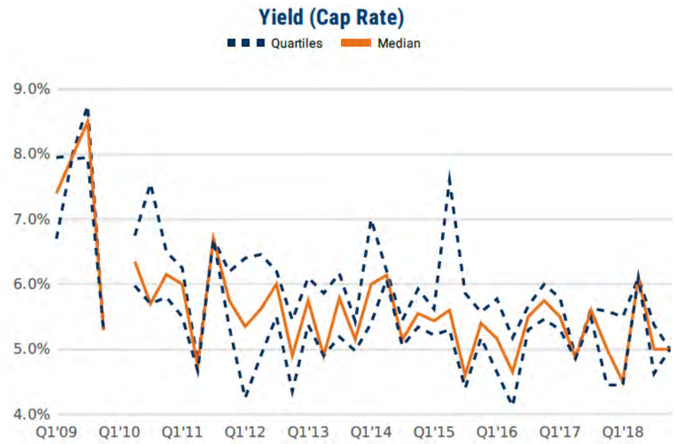
Suburban Virginia Office Conclusion

Vacancy levels for the Suburban Virginia Office market have increased since 2013 and are expected to rise from 20.1 percent next year to 20.6 percent in 2022. Over the near term, new construction activity should exceed absorption, and average asking rates are forecasted to range from $33.85 per square foot at the end of next year to $35.42 per square foot in 2022.

Washington DC Office Investment Sales Market

According to Real Capital Analytics, 49 office sale transactions closed in the 12 months ending December 2018, with a total volume of $4.4 billion, averaging a price of approximately $663 per square foot. The 49 buildings total 7.0 million square feet. Capitalization rates for this period averaged 5.2 percent, with an average of 5.0 percent reported for the fourth quarter of 2018. As shown in the following graphic, prices have generally trended downward since late 2014 and have consistently been above the benchmark (United States) averages. Capitalization rates have trended downward during this period and have spent time below national averages, but generally trending in the same direction.





Source: *Real Capital Analytics*

Subject – Reston Square at Reston Heights

Location and Description

The subject, known as Reston Square, is located along the northern side of Sunrise Valley Drive in the Reston area of Fairfax County, Virginia. Located along the south side of the Dulles Toll Road, and just east of Reston Parkway, the subject is part of the Reston Heights planned unit development that is proximate to local neighborhood amenities such as Reston Town Center and the future Reston Town Center Metrorail station. Additionally, the subject is approximately 0.75 miles west of the Wiehle-Reston Metrorail station and less than five miles east of Washington Dulles International Airport.

Situated on a 1.95-acre site, the improvements include a six-story, 138,995 square foot, Class A office building and a 456-space structured parking deck constructed by the JBG Companies in 2007. The subject is certified LEED Silver and has a wide range of amenities that have kept the average vacancy rate below 10.0 percent. As of the effective date of our analysis, the subject is fully occupied and leased to a variety of tenants, including Whitney, Bradley & Brown (73,511 square feet), SES Government Solutions (22,625 square feet), and The Washington Group (8,835 square feet).

Reston is located in the northwest section of Fairfax County, approximately 18 miles west of Washington, D.C. It is west of Interstate 495 (The Capital Beltway), and is considered to be "outside The Beltway." Tysons Corner, often referred to as Fairfax County's central business district, is located approximately four to eight miles east of Reston and is easily accessed from the Washington Dulles Airport Access and Toll Road (The Dulles Toll Road), or Leesburg Pike (Route 7).

Reston is a self-contained community of approximately 60,000 residents that was started in the 1960s as one of the HUD sponsored "new communities." The concept of Reston was to be a fully functioning city rather than just a suburban aggregation of homes surrounding a shopping center. The community is built around five village centers: Lake Anne, Hunters Woods, Tall Oaks, South Lakes and North Point. Each neighborhood is self-contained and features a mix of residences and businesses. Due to consistent development over the last four decades, Reston is almost completely built-out. In addition, approximately 40.0 percent of Reston's total acreage is committed to open space and public-sector use.

Compared to other cities with similar populations, Reston would be on a par with Casper, Wyoming; Enid, Oklahoma; or Grand Forks, North Dakota. However, if the commercial base of Reston is the basis for comparison, it ranks ahead of cities such as Richmond, Cincinnati, Cleveland, Memphis, Nashville, Milwaukee, Tampa, Albany, and Buffalo. Reston is the second largest business center in Virginia, behind only Tysons Corner.

The focal point for the community is the Reston Town Center, which initially opened in 1990. Located off Reston Parkway near the Dulles Toll Road, it encompasses 460 acres and is home to offices, retail, hotel, entertainment, outdoor/recreational, and residential uses. The 85-acre Town Center core, northwest of Reston Avenue and Sunset Hills Road, includes the two original Class A, eleven-story office buildings and the 514-room, Hyatt Regency Hotel. Additionally, there are street-level retail shops, restaurants, and a movie theater, along with parking for 3,000 vehicles. Two additional 16-story office buildings were delivered in 2001 and three additional office buildings were delivered in 2008. Combined, Reston Town Center now has over two million square feet of Class A office space, which obtains some of the highest rental rates in Fairfax County. Overall, Reston Town Center has won over 20 regional and national awards for quality in design, construction and operation including the prestigious American Institute of Architects Award for Excellence in Urban Design.

Transportation and Connectivity

Local area accessibility is very good with easy access to Washington, D.C. and Tysons Corner via The Dulles Toll Road (also known as Route 267). Within Reston, The Dulles Toll Road is accessible from Reston Parkway, Wiehle Avenue, Hunter Mill Road and the Fairfax County Parkway. The primary roadways in the area are Reston Parkway, Fairfax County Parkway, Centreville Road, Sully Road (Route 28) and The Dulles Toll Road. Each roadway is briefly described as follows:

- Reston Parkway is a major north/south artery connecting Dranesville Road at Route 7 to the north, and the Fair Oaks area at Lee-Jackson Highway (Route 50) to the south. The Reston Parkway becomes West Ox Road just north of the Fair Oaks area, where major retail and commercial uses are located.
- Fairfax County Parkway is a limited access, 4-6 divided lane, intra-county road that connects Route 7 with I-95 in Springfield.
- Centreville Road is a heavily traveled two to four lane north/south roadway which connects the Town of Herndon and the Dulles Toll Road to Route 50 and the Chantilly/Fair Lakes area to the south.
- Sully Road (Route 28) provides direct access to the Dulles International Airport. Route 28 is an eight lane divided highway that is the main thoroughfare along the western border of Fairfax County.

- The Dulles Toll Road is an eight lane divided highway providing access from Leesburg, Virginia to the west to Washington D.C. to the east.

There are three major airports serving the metropolitan Washington DC area, which includes Washington Dulles International Airport, Ronald Reagan National Airport and Baltimore Washington International. Interstate train service is available at Union Station in the District of Columbia.

Less than five miles west of the subject, Washington Dulles International Airport occupies 12,000 acres in western Fairfax County and eastern Loudoun County. The airport handled nearly 21.7 million passengers in 2015. A $4 billion expansion program was recently completed, which included the expansion of Concourse B, the opening of a new runway, and an automated people mover system called AeroTrain. Washington Dulles International is accessed from Washington D.C. by Interstate 66 and the Dulles Airport Access Road and will benefit from a new Silver Line Metrorail station in 2020.

The Dulles Corridor Metrorail project, an extension of the Metrorail system through Tysons Corner to Washington Dulles International Airport (IAD) and Loudoun County, is currently being managed by The Metropolitan Washington Airports Authority. The eleven-station, $5 billion project is being constructed in two phases. Phase I ridership started in 2014 and runs from the Orange Line between the East Falls Church and West Falls Church stations with four stations in Tysons Corner and one in Wiehle Avenue in Reston.

Phase II of the Metrorail extension will include six additional stations, including three stations along the median of the Dulles Toll Road and the Dulles Access Highway, an aerial station at Washington Dulles International Airport, and two additional stops in Loudoun County. Completion of Phase II is now expected in 2020.

Competitive Market Survey – Micro Market

In order to gain a better understanding of the market conditions specific to the subject, we conducted a survey of those buildings that would be considered most competitive to the subject.

Micro Market Snapshot

We have identified office buildings with the following characteristics as being directly competitive with the subject.

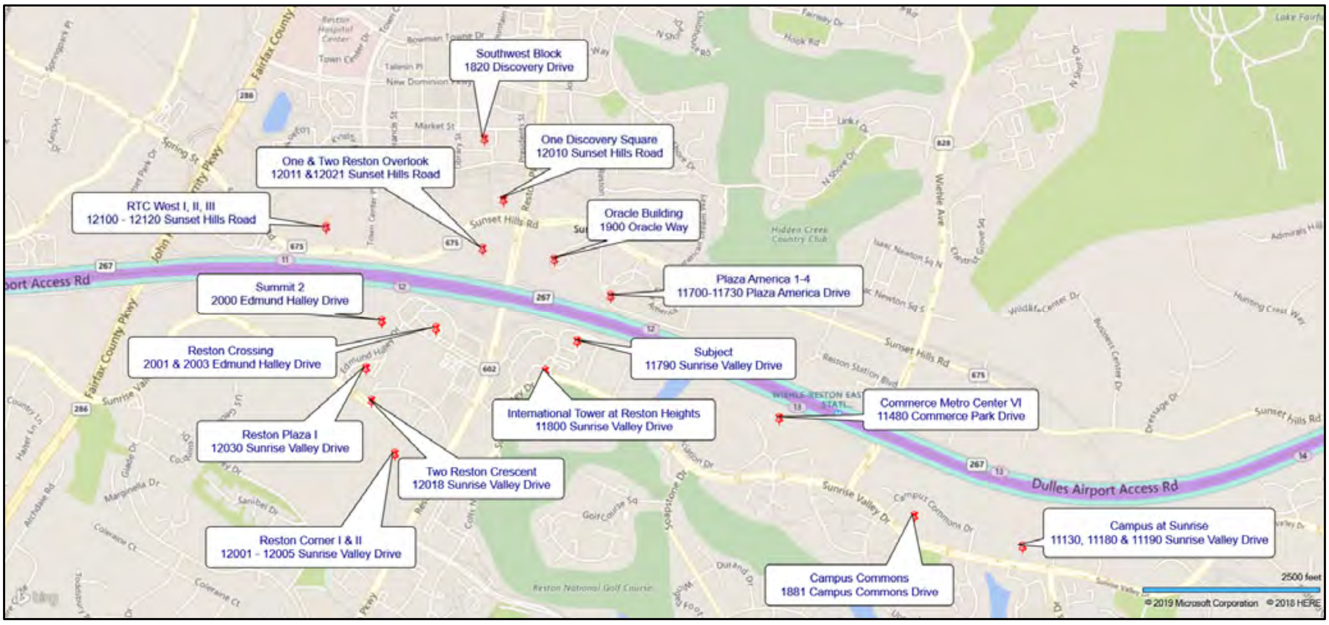
- Suburban office buildings located in Reston with proximity to the Dulles Toll Road and the Reston Parkway interchange;
- Class A, mid-rise office building; and
- 1980s and 1990s vintage office building.

The following table contains the results of a Cushman & Wakefield survey of existing competitive properties. These buildings are similar in terms of location, physical attributes, and access to amenities:

COMPETITIVE MICRO MARKET											
Name	Address	Parking Ratio	State	Year Built	Stories	RBA (SF)	Direct Vacant SF	%Leased	Ask Rate/SF	Expenses	FS Equivalent
Reston Square	**11790 Sunrise Valley Drive**	**3.28**	**Virginia**	**2007**	**6**	**138,995**	**4,277**	**96.92%**	**$35.00**	**Full Service**	$35.00
South Side of Dulles Toll Road											
International Tower at Reston Heights	11800 Sunrise Valley Drive	3.00	Virginia	1974	15	179,279	38,904	78.3%	$34.00	Full Service	$34.00
Campus Commons	1881 Campus Commons Drive	4.00	Virginia	1999	5	244,565	48,913	80.0%	$37.00	Full Service	$37.00
Commerce Metro Center VI	11480 Commerce Park Drive	3.40	Virginia	1998	6	145,750	34,689	76.2%	$36.00	Full Service	$36.00
Reston Corner I & II	12001 - 12005 Sunrise Valley Drive	3.45	Virginia	1983	4	205,913	93,808	54.4%	$32.00	Full Service	$32.00
Reston Crossing	2001 & 2003 Edmund Halley Drive	3.40	Virginia	1998	6	332,188	8,969	97.3%	$36.27	Full Service	$36.27
Summit 2	2000 Edmund Halley Drive	3.00	Virginia	1998	6	145,595	11,943	91.8%	$39.50	Full Service	$39.50
Reston Plaza I	12030 Sunrise Valley Drive	3.60	Virginia	1987	4	81,148	32,283	60.2%	$33.00	Full Service	$33.00
Two Reston Crescent	12018 Sunrise Valley Drive	3.60	Virginia	2008	6	185,438	63,324	65.9%	$31.00	Full Service	$31.00
One Reston Crescent	12000 Sunrise Valley Drive	3.60	Virginia	2000	6	186,133	0	100.0%	$35.00	Full Service	$35.00
Campus at Sunrise	11130, 11180 & 11190 Sunrise Valley Drive	3.60	Virginia	1987	4	253,986	46,259	81.8%	$33.75	Full Service	$33.75
North Side of Dulles Toll Road											
RTC West I, II, III	12100 - 12120 Sunset Hill Road	3.10	Virginia	1988	6	497,142	66,165	86.7%	$41.00	Full Service	$41.00
Oracle Building	1900 Oracle Way	3.80	Virginia	2000	8	198,063	26,593	86.7%	$37.00	Full Service	$37.00
Plaza America Tower 1	11700 Plaza America Drive	3.50	Virginia	1999	10	273,759	14,530	94.7%	$35.00	Full Service	$35.00
Plaza America Tower 2	11710 Plaza America Drive	3.50	Virginia	1999	12	280,504	19,635	93.0%	$44.00	Full Service	$44.00
Plaza America Tower 3	11720 Plaza America Drive	3.50	Virginia	2002	13	300,040	112,153	62.6%	$42.78	Full Service	$42.78
Plaza America Tower 4	11730 Plaza America Drive	3.50	Virginia	2002	7	189,500	34,209	81.9%	$42.50	Full Service	$42.50
Southwest Block	1820 Discovery Drive	4.00	Virginia	1990	3	44,504	26,624	40.2%	$35.00	Full Service	$35.00
One Discovery Square	12010 Sunset Hills Road	3.50	Virginia	2001	9	188,437	11,293	94.0%	$38.00	Full Service	$38.00
One Reston Overlook	12011 Sunset Hills Road	3.00	Virginia	1999	12	319,519	12,234	96.2%	$44.00	Full Service	$44.00
Two Reston Overlook	12021 Sunset Hills Road	3.00	Virginia	1999	6	134,615	24,017	82.2%	$44.00	Full Service	$44.00
Minimum of Sample:		3.00		1974	3	44,504	0	40.2%	$31.00		$31.00
Maximum of Sample:		4.00		2008	15	497,142	112,153	100.0%	$44.00		$44.00
Average of Sample:		**3.44**		**1996**	**7**	**219,304**	**36,327**	**83.4%**	**$37.42**		**$37.42**

Source: Cushman and Wakefield of Washington, DC, Inc.

COMPETITION MAP



We surveyed 21 competitive office buildings within the submarket, including the subject, containing approximately 3.9 million square feet. The average vacancy is approximately 16.6 percent, which is just above the submarket average of 15.3 percent. However, this includes International Tower at Reston Heights, which is situated within the subject park, and Reston Corner I & II, of which both are currently undergoing a renovation program and somewhat skews the results. Excluding these two competitive buildings, the vacancy rate is 14.8 percent.

Average asking rates for competitive office space range from $31.00 to $44.00 per square foot, and average $37.42 per square foot on a full-service basis. A “full service” lease structure is defined by market participants as tenants responsible for any increases in operating expenses over base year occupancy including real estate taxes, insurance, common area maintenance and utilities.

Lease rates include a tenant improvement package ranging from none to $82.50 per square foot with an average of $44.20 per square foot. Lease terms typically reflect annual escalations 2.5 to 3.0 percent for full service leases. In addition, rent abatements are the norm with most new leases signed with roughly one month per lease year of free rent. The Northern Virginia office market concessions are at an all-time high and we anticipate this being the case for the foreseeable future, as demand for metro-proximate office space remains healthy.

We note that there is a difference in achievable rents between the north and south side of the Dulles Toll Road. The subject is located on the south side of the Dulles Toll Road. The competitive office buildings with a similar location relative to the toll road exhibit rental rates between $31.00 and $37.00 per square foot, and average $34.75 per square foot on a full-service basis. The subject has the advantage of toll road visibility and as such, we expect it to command rents at the upper end of this subset range.

The subject falls generally in the middle of this set in terms of access to amenities, overall quality/condition, and parking facilities. Accordingly, it commands rents in line with those assumptions.

Subject's Competitive Market Position

The subject is considered a Class A office complex by market participants based on its quality, condition and tenancy. It is located in the southeast quadrant of the Dulles Toll Road and Reston Parkway interchange, which is viewed as ground zero within the Reston office submarket due to the phenomenal success of the Reston Town Center. The subject, however, is located on the south side of the Dulles Toll Road whereas the noted town center is located on the north side. As such, the location is strong but not a premier address within the submarket. The submarket as well as the subject will benefit from the completion of the Reston Town Center Metrorail Station in 2020. However, the subject is not directly proximate to the station but rather about one-quarter mile east. On the plus side, the subject is situated within a high quality mixed-use development, Reston Heights, which features two branded hotels and proximity to new multifamily developments. The building has frontage and excellent visibility along the Dulles Toll Road which offers tenants signage opportunities. As a result, the subject is fully occupied with one near term lease expiration. The immediate area is experiencing strong demand and rental rate growth which should only be enhanced with the entrance of the Metrorail station. The subject offers adequate amenities that are attractive to prospective tenants as evidenced by its current tenancy. Thus, based on the subject's locational characteristics, project quality and current tenancy, the subject has a good competitive position in comparison to other comparable buildings within the immediate market.

Micro Market Outlook and Conclusions

The Reston submarket continued to exhibit strong new leasing activity during the third quarter of 2018, registering among the highest-performing Northern Virginia submarkets. The area's impressive leasing year speaks to its continued strength as one of the top real estate submarkets in the entire DC Metro region. The region's top companies are choosing Reston-Herndon for their headquarters locations and large office requirements. The market shows no signs of slowing, especially with the pending completion of the Silver Line Phase II and the wealth of future trophy buildings in the pipeline. The region's top developers, including Boston Properties, Brookfield, JBG Smith and Comstock Partners, all have major mixed-use developments in the pipeline for the ever-expanding Toll Road office market.

SWOT ANALYSIS

Strengths

- The subject is located in the Reston office submarket with frontage and excellent visibility along the Dulles Toll Road. The submarket has experienced strong demand with declining vacancy rates and increasing rental rates. Further the subject and submarket will only be enhanced with the opening of the Reston Town Center Metrorail Station in early 2020.
- The subject is a Class A office buildings that was developed in 2007 and it is in good condition. Further, it is part of the Reston Heights mixed-use development which features two branded hotels. There are substantial developments on both the east and west sides of the subject, which is predominately multifamily.
- The subject's frontage and visibility along the Dulles Toll Road offer tenants signage opportunities, which is highly sought after in this submarket.
- The subject is fully leased with limited rollover in the first half of the cash flow. Further, the tenant base features two credit tenants with over 78 percent of net rentable area.

Weaknesses

- The subject is on the south side of the Dulles Toll Road and southeast of the Reston Town Center, which is ground zero for office demand. Thus, the location is secondary to the town center.
- The subject, while relatively new, is considered older when compared to the new Class A office buildings that are proposed to be developed.
- The subject has above market rents and upon lease rollover we anticipate the rents to realign with the lower heavily incentivized market rent rents which places downward pressure on achievable income.

Opportunities

- The building is Class A and offers good linkage and frontage along toll road. It lacks significant amenities, which upon lease expiration of the anchor tenant may present the opportunity to upgrade the building it increase rents and remain competitive within the dynamic Reston office enclave.

Threats

- The submarket has an extensive pipeline of office and mixed-use projects proposed. If a significant portion of these proposed projects are delivered, there could be downward pressure on achievable rents.
- The region is heavily dependent on the Federal Government and related industries such as Defense Contractors. Changes in the government space use or spending can have a significant impact on the office market. This was the case with BRAC (Base Realignment and Closure) in the 1990s and mid-2000s.

Atlanta, Georgia

Introduction

Market Definition

The Atlanta-Sandy Springs-Marietta Core Based Statistical Area (Atlanta CBSA) is the ninth largest region in the United States, consisting of 29 counties in northwest Georgia. The City of Atlanta is the largest incorporated area within the CBSA encompassing most of Fulton County and a portion extending into neighboring DeKalb County.

Atlanta is the state capital and the most populous city in the state of Georgia. Atlanta's urban core is one of the fastest growing metropolitan areas in the country. Atlanta has the country's third largest concentration of Fortune 500 companies and seventy-five percent of Fortune 1000 companies have a presence in the metropolitan area. Atlanta's core strengths and assets include rapid population growth, superb logistics infrastructure, business-friendly environment, world-class airport, tourism amenities and higher education infrastructure. Additionally, Atlanta's location offers businesses direct access to over 170 U.S. cities and 80 destinations around the world.

Demographic Trends

Demographic Characteristics

With a median age of 36.0 years, Atlanta is two years younger than the national median age of 38.0 years. Atlanta is also more educated compared to the national average with approximately 35.0 percent of its adult population having a Bachelor degree or better. Atlanta is highly competitive, with 57 colleges and universities producing a skilled talent pool ready for the workforce. According to the Metro Atlanta Chamber of Commerce, Atlanta leads the nation in attracting highly educated 25 to 34 year olds, which is one of the most coveted demographic cohorts in the country. Millennials make up the largest generation in the United States. Young migrants are lured by urban living and the technological boom underway in the Atlanta CBSA. *Forbes* magazine continues to rank Atlanta among the best cities for young professionals. According to Citybizlist, recent gentrification and construction projects are luring young professionals back downtown from the suburbs. Additionally, the Atlanta Beltline redevelopment project revitalized Piedmont Park and numerous new restaurants are adding to the allure.

In terms of wealth, 26.0 percent of Atlanta households have annual incomes of $100,000 or more, which makes Atlanta slightly more affluent than the national average. Atlanta's most affluent areas (households with incomes of $100,000 or greater) are located primarily in the metro areas of Duluth, Dunwoody, Buckhead, Sandy Springs, Roswell, Alpharetta, Vinings, East Cobb and Peachtree City. Sandy Springs is among the most affluent areas in the nation, where 15.3 percent of its households report annual incomes of $200,000 or more. Similarly, Forsyth County is among the fast-growing and affluent communities, with median household incomes of $99,400.

Further considerations are as follows:

- Between 2007 and 2017, median household incomes in the metro Atlanta area expanded at an average rate of 0.7 percent annually.
- According to Experian Marketing Solutions, Atlanta's median household income is $3,000 higher than the national average.
- Through 2022, median household incomes in the Atlanta CBSA are expected to grow at an annual rate of 2.4 percent, according to Moody's Analytics.

Population

Between July 1, 2016 and July 1, 2017, Georgia's population increased by 115,759 to over 10.4 million residents. Georgia remains the eighth largest state in the country. The 29-county Atlanta CBSA increased 1.5 percent (or

89,000 residents) to nearly 5.9 million residents during the 12-month period ending July 1, 2017. The Atlanta CBSA is the third largest in the southeast and the ninth most populous metropolitan area in the U.S. The availability of jobs in the region continues to attract many new residents.

The following highlights the key statistics for population growth in the metro Atlanta area:

- The addition of 89,000 new residents was the third largest increase of any metro area in the nation.
- According to Moody's Analytics, Atlanta's annual population growth averaged 1.5 percent between 2007 and 2017, nearly twice the national average.
- Atlanta's growth is forecasted to increase 2.0 percent per year through 2022, more than three times as fast as the national average.
- Of the 10 most populous CBSA s, Atlanta had the third fastest-growing between 2000 and 2010, behind Houston and Dallas.
- According to the 2010 Census, the state of Georgia grew by 18.3 percent (or 1.5 million people) between 2000 and 2010, slower than the 26.4 percent (or 1.7 million person) between 1990 and 2000. The Atlanta CBSA accounted for over half (54.4 percent) of Georgia's 2010 population and over two thirds (68.0 percent) of the state's population growth during the last decade.

The following table compares population growth trends in the Atlanta CBSA, including the counties which make up the metropolitan statistical area:

Annualized Population Growth by County
Atlanta CBSA
2007-2022

Population (000's)	2007	2017	Forecast 2018	Forecast 2022	Compound Annual Growth Rate 07-17	Compound Annual Growth Rate 18-22
United States	301,231.2	325,432.5	327,745.1	336,324.0	0.8%	0.6%
Atlanta, GA	**5,066.4**	**5,881.0**	**5,990.4**	**6,496.0**	**1.5%**	**2.5%**
Clayton County	260.4	282.9	287.4	310.0	0.8%	1.9%
Cobb County	670.4	758.9	772.2	833.5	1.2%	1.9%
DeKalb County	681.0	749.1	760.5	813.9	1.0%	1.7%
Fulton County	869.3	1,042.5	1,063.9	1,153.0	1.8%	2.0%
Gwinnett County	764.1	925.0	945.9	1,039.1	1.9%	2.4%
All Other Counties	1,821.1	2,122.8	2,160.4	2,346.5	1.5%	2.1%

Source: Data Courtesy of Moody's Analytics, Cushman & Wakefield Valuation & Advisory

Economic Trends

Employment Distribution

Atlanta's employment base is one of the most diverse in the nation, with the services and trade sectors accounting for the bulk of total employment. Particularly, Hartsfield-Jackson Atlanta International Airport is the largest employment engine in the state of Georgia (Delta Air Lines Inc. employs nearly 32,000 persons). Although Atlanta has some critical growth engines, no one sector dominates economic growth. However, the residential real estate market has historically been a major economic driver for the Atlanta economy. Construction and businesses related to the housing market were drastically impacted by the fallout of the housing sector. As the residential housing market fell deeper into recession, the fallout impacted commercial development, manufacturing, wholesale and retail trade and professional and business services.

Atlanta's economic base as compared to the national average can be summarized as follows:

- The Atlanta region is more heavily weighted in the Trade, Transportation & Utilities and Professional & Business Services sectors than the nation overall, accounting for 21.8 percent and 18.8 percent of the total employment, respectively.
- Though relatively small as a share of overall employment, Atlanta's concentration in the Information sector is considerably larger than the national average. Of note: Atlanta's information sector is experiencing robust growth as several information technology firms have announced expansion plans in the area.
- The region is less represented in the Education & Health Services, Manufacturing, and Government sectors.

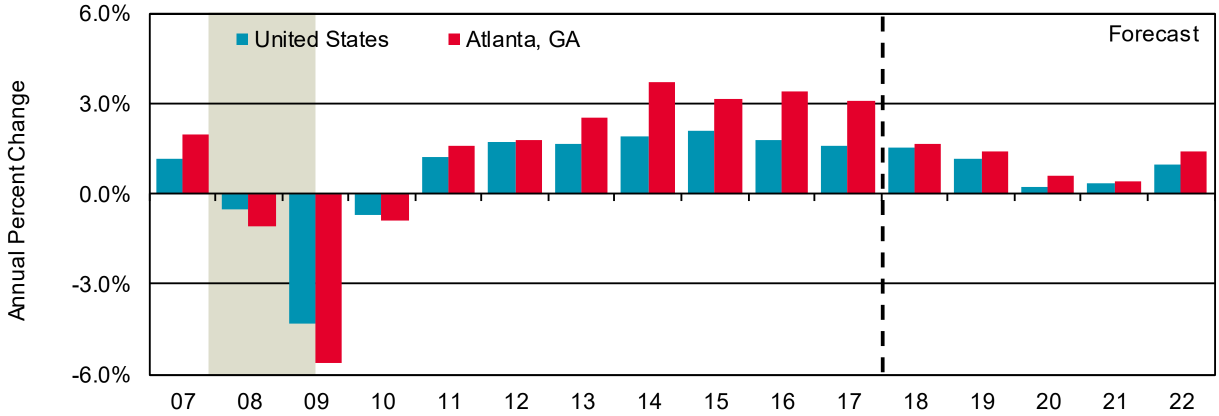
Employment Growth

The Atlanta CBSA has recorded over-the-year job growth each month for over five consecutive years. According to preliminary data from the U.S. Bureau of Labor Statistics, the Atlanta CBSA gained 52,600 jobs during the 12-month period ending February 2018, growing by 2.0 percent to 2.7 million jobs. Nationally, employment increased 1.6 percent from February 2017 to February 2018. In terms of over-the-year percent growth, the Atlanta CBSA ranked fourth nationally, behind Phoenix (3.0 percent), Dallas (2.7 percent) and Houston (2.2 percent) Growth remains evident across all sectors with strong gains in trade, transportation and utilities (adding 16,500 jobs), education and health services (adding 12,900 new jobs) and leisure and hospitality (adding 11,200 jobs year-over-year).

Relevant data for current and past employment conditions in the metro Atlanta area are summarized as follows:

- For the month of February, employers added 18,300 net new jobs
- Between 2007 and 2017, annual employment growth was slow in both the Atlanta CBSA and the nation, averaging 1.1 percent and 0.6 percent, respectively.
- Employment growth is expected to average 0.9 percent annually through 2022, according to Moody's Analytics.

TOTAL EMPLOYMENT GROWTH BY YEAR
Atlanta CBSA vs. United States, 2007-2022



Source: Data Courtesy of Moody's Analytics and Cushman & Wakefield Valuation & Advisory
Note: Shaded bars indicate periods of recession

Conclusion

The Atlanta economy is among the healthiest in the nation and is on track to be among the stronger performing markets this year. Job growth continues advancing, with every key industry showing year-over-year growth. Local economists project that the region will continue to gain jobs, as companies expand and add to their headcount. In fact, local economists project 52,000 new jobs will be added this year. High profile corporate relocations and expansions are the main source of growth, allowing for a more resilient and diverse economy. Viewed as the hub of the Southeast, Atlanta is now drawing attention from national and international investors. Over the past few years, many major employers moved to, or expanded in the metro area bringing along tens of thousands of new jobs. Atlanta's ability to lure companies remains strong, as the metro area remains a top contender for noteworthy projects, including Amazon's second headquarters, Apple's expansion and Facebook's data center. The well-educated workforce, diverse industrial structure, strong population growth, tremendous logistics improvements, and tax and other business incentives helps to maintain the region's premier status. In turn, Atlanta helps the state solidify its status as the No. 1 state for business, now for the fifth consecutive year.

The outlook for 2018 and beyond is very strong with the Atlanta CBSA employment continuing to lead the state's recovery. Atlanta is projected to continue accounting for the lion's share of the state's net job growth. Key growth clusters include: core professional services, tech industry, and cybersecurity, logistics technology, transaction processing, data processing and software/mobile apps, as well as healthcare information technology. Local forecasters foresee stronger, faster growth propelled by Hartsfield-Jackson Atlanta International Airport, as it is a major draw for storage facilities and manufacturers, logistics operators and corporate headquarters.

Atlanta Office Market and Midtown/Pershing/Brookwood Office Submarket

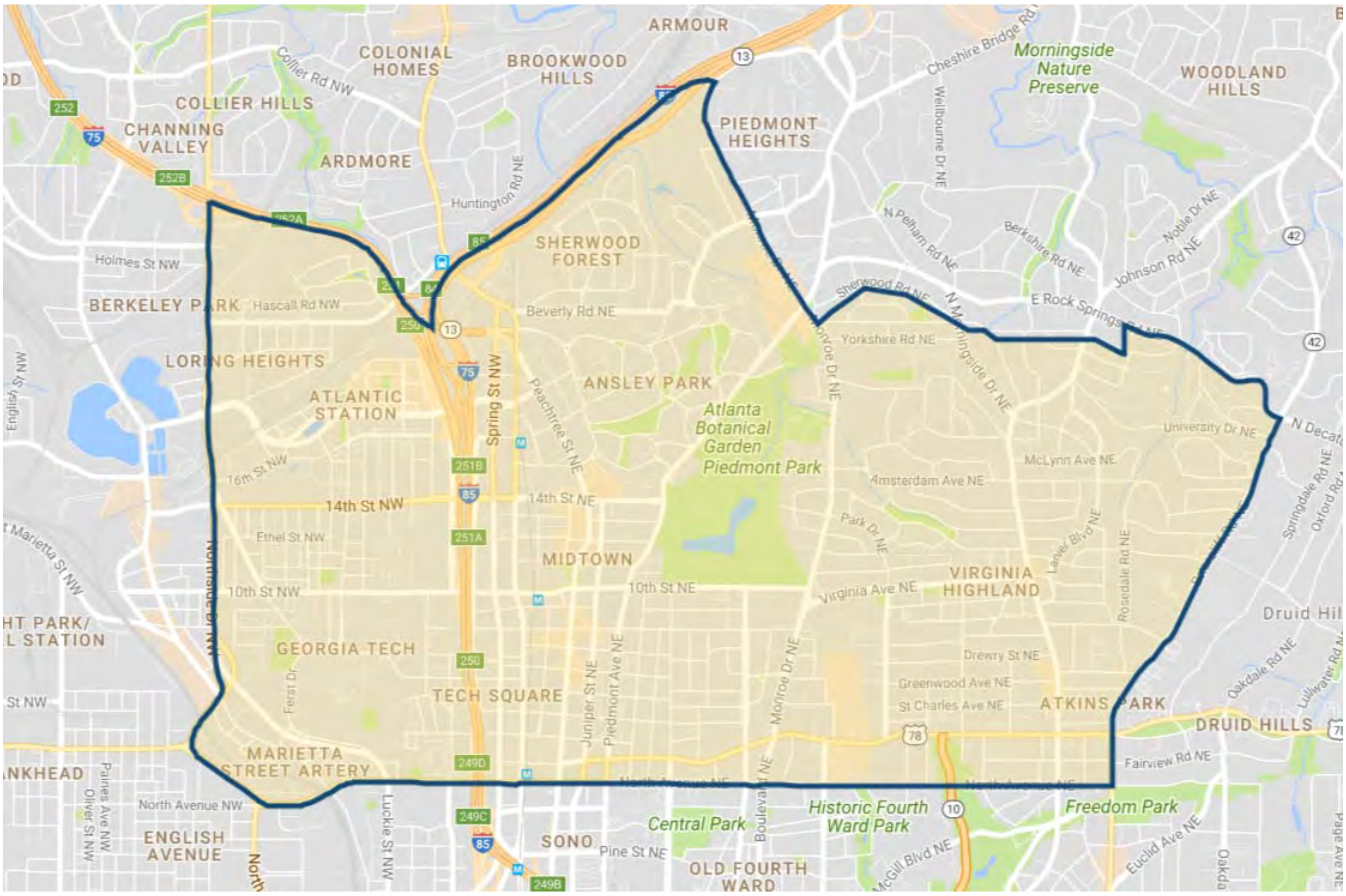
Introduction

Reis, Inc. classifies the Atlanta Office market into fifteen submarkets, and segregates inventory by type of space (Class A versus Class B/C). The subject lies within the Midtown/Pershing/Brookwood submarket of Atlanta.

Submarket Snapshot

The Atlanta Office market contains 145,975,000 square feet of space. North Central/I-285/Ga 400 is the largest submarket, comprising 16.6 percent of the area's total inventory. Far South is the smallest submarket with 0.6 percent of total inventory. The subject submarket contains 14,462,000 square feet, or 9.9 percent of the region's inventory. The general boundaries of the submarket include: Northside Drive to the west, North Avenue to the south, Briarcliff Road to the east, and the northern boundaries follows I-75 to I-85 and then along Monroe Drive and other minor roadways. The primary concentration of office buildings within the submarket are typically located along Peachtree Street throughout the submarket and into Downtown Atlanta to the south.

MIDTOWN/PERSHING/BROOKWOOD SUBMARKET



The following table presents the geographic distribution of inventory, along with other statistical information.

GEOGRAPHIC DISTRIBUTION OF INVENTORY

Submarket	Class	No. of Buildings	Inventory (SF)	% Total	Vacancy Rate (%)	Net Absorption	Asking Rent ($/SF)
Airport/South Atlanta	A		831,000	0.6	35.0	-14,000	$18.03
Airport/South Atlanta	B/C		3,635,000	2.5	32.3	14,000	$15.76
Airport/South Atlanta	**A/B/C**	**87**	**4,466,000**	**3.1**	**32.8**	**0**	**$16.20**
Buckhead/Lenox	A		12,701,000	8.7	14.8	-48,000	$36.27
Buckhead/Lenox	B/C		3,642,000	2.5	17.9	15,000	$29.06
Buckhead/Lenox	**A/B/C**	**87**	**16,343,000**	**11.2**	**15.5**	**-33,000**	**$34.62**
Cumberland/I-75	A		13,251,000	9.1	17.8	55,000	$27.95
Cumberland/I-75	B/C		7,597,000	5.2	17.8	49,000	$20.44
Cumberland/I-75	**A/B/C**	**157**	**20,848,000**	**14.3**	**17.8**	**104,000**	**$25.20**
Downtown	A		11,062,000	7.6	17.6	33,000	$26.60
Downtown	B/C		4,960,000	3.4	36.4	0	$20.77
Downtown	**A/B/C**	**59**	**16,022,000**	**11.0**	**23.4**	**32,000**	**$24.79**
East Atlanta/Decatur	A		673,000	0.5	10.3	11,000	$26.84
East Atlanta/Decatur	B/C		1,423,000	1.0	16.5	-2,000	$20.16
East Atlanta/Decatur	**A/B/C**	**51**	**2,096,000**	**1.4**	**14.5**	**8,000**	**$22.30**
Far South	A		295,000	0.2	12.2	-1,000	$21.23
Far South	B/C		647,000	0.4	15.3	3,000	$16.94
Far South	**A/B/C**	**36**	**942,000**	**0.6**	**14.2**	**3,000**	**$18.28**
Marietta/E Cobb/I-75	A		1,166,000	0.8	11.2	-4,000	$24.42
Marietta/E Cobb/I-75	B/C		2,238,000	1.5	16.2	7,000	$16.64
Marietta/E Cobb/I-75	**A/B/C**	**81**	**3,404,000**	**2.3**	**14.5**	**3,000**	**$19.30**
Midtown/Pershing/Brookwood	A		11,167,000	7.6	12.2	-114,000	$32.76
Midtown/Pershing/Brookwood	B/C		3,295,000	2.3	16.1	18,000	$25.31
Midtown/Pershing/Brookwood	**A/B/C**	**84**	**14,462,000**	**9.9**	**13.1**	**-96,000**	**$31.10**
North Central/I-285/Ga 400	A		16,687,000	11.4	19.5	-281,000	$28.41
North Central/I-285/Ga 400	B/C		7,513,000	5.1	22.6	62,000	$21.60
North Central/I-285/Ga 400	**A/B/C**	**178**	**24,200,000**	**16.6**	**20.5**	**-218,000**	**$26.31**
Northeast Atlanta/I-85 North	A		3,752,000	2.6	13.4	0	$24.17
Northeast Atlanta/I-85 North	B/C		4,708,000	3.2	14.9	25,000	$18.96
Northeast Atlanta/I-85 North	**A/B/C**	**83**	**8,460,000**	**5.8**	**14.2**	**26,000**	**$21.28**
Northeast Gwinnett/I-85/I-285	A		3,408,000	2.3	23.4	20,000	$21.98
Northeast Gwinnett/I-85/I-285	B/C		5,139,000	3.5	23.2	-21,000	$16.24
Northeast Gwinnett/I-85/I-285	**A/B/C**	**150**	**8,547,000**	**5.9**	**23.3**	**0**	**$18.54**
Northlake/Stone Mountain	A		455,000	0.3	66.2	8,000	$21.41
Northlake/Stone Mountain	B/C		863,000	0.6	36.7	4,000	$17.07
Northlake/Stone Mountain	**A/B/C**	**24**	**1,318,000**	**0.9**	**47.0**	**12,000**	**$18.58**
Peachtree Corners	A		1,733,000	1.2	14.9	4,000	$22.45
Peachtree Corners	B/C		5,402,000	3.7	31.5	-12,000	$17.01
Peachtree Corners	**A/B/C**	**102**	**7,135,000**	**4.9**	**27.5**	**-7,000**	**$18.32**
Roswell/Alpharetta	A		8,914,000	6.1	16.4	3,000	$26.67
Roswell/Alpharetta	B/C		6,660,000	4.6	19.3	-18,000	$21.25
Roswell/Alpharetta	**A/B/C**	**198**	**15,574,000**	**10.7**	**17.6**	**-16,000**	**$24.33**
West Atlanta/I-20 West/I-75	A		1,472,000	1.0	5.4	6,000	$31.52
West Atlanta/I-20 West/I-75	B/C		686,000	0.5	12.0	0	$17.60
West Atlanta/I-20 West/I-75	**A/B/C**	**33**	**2,158,000**	**1.5**	**7.5**	**4,000**	**$27.14**
Total A	A		87,567,000	60.0	16.8	-322,000	$28.91
Total B/C	B/C		58,408,000	40.0	22.6	144,000	$20.15
Total/Average	**A/B/C**	**1410**	**145,975,000**	**100.0**	**19.1**	**-178,000**	**$25.40**

Source:

As of third quarter 2018, the overall vacancy rate for the market is 19.1 percent. The subject's Midtown/Pershing/Brookwood submarket has a vacancy rate of 13.1 percent.

The average asking rental rate for all types of space within the market is $25.40 per square foot. The subject's Midtown/Pershing/Brookwood submarket has an average asking rental rate of $31.10 per square foot.

Class A buildings constitute 60.0 percent of existing inventory and are exhibiting a lower vacancy rate (16.8 percent) than Class B/C buildings (22.6 percent) and higher average asking rents of $28.91 versus $20.15 per square foot.

Supply

Inventory and Construction Completions

Between 2013 and 2017 a total of 3,944,000 square feet of space was completed or an average of 788,800 square feet per year. No new space was completed as of third quarter 2018. Over the next five years, Reis projects that an additional 6,458,000 square feet will completed the Atlanta market.

Within the subject submarket, a total of 578,000 square feet of space was completed between 2013 and 2017. Over the next five years, Reis projects that an additional 1,918,000 square feet of new space will be completed within the Midtown/Pershing/Brookwood submarket.

The following table presents historical inventory and projected completions for the region and subject submarket.

HISTORICAL AND PROJECTED INVENTORY & COMPLETIONS (SF)

	Atlanta					Midtown/Pershing/Brookwood					
Year	Class A	Completions	Class B/C	Completions	Total Completions	Class A	Completions	Class B/C	Completions	Total Completions	% of Region
2013	84,716,000	360,000	58,779,000	0	360,000	10,549,000	0	3,579,000	0	0	0.0%
2014	85,304,000	741,000	58,731,000	0	741,000	11,087,000	538,000	3,531,000	0	538,000	72.6%
2015	85,304,000	0	58,219,000	0	0	11,087,000	0	3,521,000	0	0	0.0%
2016	85,213,000	48,000	58,298,000	585,000	633,000	11,087,000	0	3,477,000	0	0	0.0%
2017	87,070,000	1,857,000	58,590,000	353,000	2,210,000	11,127,000	40,000	3,477,000	0	40,000	1.8%
3Q18	87,567,000	40,000	58,408,000	0	40,000	11,167,000	40,000	3,295,000	0	40,000	100.0%
2018	---	---	---	---	894,000	---	---	---	---	400,000	44.7%
2019	---	---	---	---	1,592,000	---	---	---	---	645,000	40.5%
2020	---	---	---	---	1,733,000	---	---	---	---	637,000	36.8%
2021	---	---	---	---	1,067,000	---	---	---	---	113,000	10.6%
2022	---	---	---	---	1,172,000	---	---	---	---	123,000	10.5%
2013-2017											
Total Completions		**3,006,000**		**938,000**	**3,944,000**		**578,000**		**0**	**578,000**	
Annual Average		**601,200**		**187,600**	**788,800**		**115,600**		**0**	**115,600**	**14.7%**

Source: Reis, Inc.

Demand

Vacancy Rates

As shown in the following chart, vacancy rates decreased from 20.1 in 2013 to 18.3 percent in 2017. For third quarter 2018 the vacancy rate stands at 19.1 percent. Over the near term, Reis projects a decline in vacancy levels for Atlanta, with vacancy ranging from 19.1 to in 2018 to 19.1 percent in 2022.

Between 2013 and 2017, vacancy rates decreased from 14.8 to 13.2 percent. The current vacancy rate for the submarket is 13.1 percent. Over the near term, Reis is projecting a rise in vacancy for the Midtown/Pershing/Brookwood submarket, with vacancy levels ranging from 13.8 percent in 2018 to 15.7 percent in 2022.

The following table presents historical and projected vacancy rates for the region and subject submarket.

HISTORICAL AND PROJECTED VACANCY RATES (%)						
	Atlanta			Midtown/Pershing/Brookwood		
Year	Class A	Class B/C	Total	Class A	Class B/C	Total
2013	17.1	24.4	20.1	14.6	15.5	14.8
2014	16.6	24.1	19.7	15.6	16.8	15.9
2015	15.7	24.0	19.1	15.1	17.7	15.7
2016	15.0	22.3	18.0	13.3	16.7	14.1
2017	15.4	22.6	18.3	12.2	16.5	13.2
3Q18	16.8	22.6	19.1	12.2	16.1	13.1
2018	---	---	19.1	---	---	13.8
2019	---	---	19.1	---	---	14.9
2020	---	---	19.2	---	---	15.8
2021	---	---	19.1	---	---	15.7
2022	---	---	19.1	---	---	15.7

Source: Reis, Inc.
Note: Reis does not differentiate between space that is available directly from the landlord or as a sublease. Any space that is available immediately for leasing (i.e. within 30 days) is considered vacant by Reis' standards.

As shown, Class A buildings within the region are exhibiting a lower vacancy rate (16.8 percent) than Class B/C buildings (22.6 percent). Within the subject submarket, Class A buildings are exhibiting lower vacancies than Class B/C buildings (12.2 percent versus 16.1 percent).

Absorption Trends

Absorption measures change in the level of occupied space in a geographic region over a specific period of time. Absorption is not a measure of leasing activity. It reflects increasing, stable or decreasing demand for space. If the level of occupied space increases from one period to the next, demand has increased. If no change has occurred, demand is stable. If the level of occupied space is lower, demand has decreased. All things being equal, positive absorption lowers vacancy rates and negative absorption increases vacancy rates. A newly constructed building that enters the marketplace vacant will adversely affect the vacancy rate but have no bearing on absorption since it has not altered the level of occupancy.

Over the past few years, new construction activity within the Atlanta region has trailed absorption. As shown in the following table, an annual average of 788,800 square feet of space was completed in the region between 2013 and 2017, while 945,000 square feet was absorbed. Over the next five years, Reis projects that construction will exceed absorption with new construction totaling 6,458,000 square feet, and absorption totaling 3,947,000 square feet.

Between 2013 and 2017, new construction within the Midtown/Pershing/Brookwood submarket trailed absorption, with an annual average of 115,600 square feet completed and 173,000 square feet absorbed. Over the next five years, Reis projects that new construction will surpass absorption (new construction will total 1,918,000 square feet, and 1,107,000 square feet is expected to be absorbed).

The following table presents historical and projected absorption levels and completions for the region and the subject submarket.

HISTORIC AND PROJECTED NET ABSORPTION (SF)								
	Atlanta				Midtown/Pershing/Brookwood			
Year	Class A	Class B/C	Total Absorption	Total Completions	Class A	Class B/C	Total Absorption	Total Completions
2013	527,000	-70,000	455,000	360,000	193,000	33,000	226,000	0
2014	886,000	92,000	976,000	741,000	345,000	-87,000	257,000	538,000
2015	765,000	-290,000	476,000	0	59,000	-39,000	21,000	0
2016	537,000	1,039,000	1,579,000	633,000	198,000	-2,000	195,000	0
2017	1,210,000	31,000	1,239,000	2,210,000	158,000	7,000	166,000	40,000
3Q18	-322,000	144,000	-178,000	40,000	-114,000	18,000	-96,000	40,000
2018	---	---	-506,000	894,000	---	---	101,000	400,000
2019	---	---	1,213,000	1,592,000	---	---	390,000	645,000
2020	---	---	1,298,000	1,733,000	---	---	396,000	637,000
2021	---	---	1,049,000	1,067,000	---	---	110,000	113,000
2022	---	---	893,000	1,172,000	---	---	110,000	123,000
2013-2017								
Total Absorption	**3,925,000**	**802,000**	**4,725,000**	**3,944,000**	**953,000**	**-88,000**	**865,000**	**578,000**
Annual Average	**785,000**	**160,400**	**945,000**	**788,800**	**190,600**	**-17,600**	**173,000**	**115,600**

Source: Reis, Inc.

Rental Rate Trends

As shown in the following chart, average asking rents in the Atlanta region have jumped from $21.78 per square foot in 2013 to $24.85 per square in 2017, indicating a compound annual growth rate (CAGR) of 3.4 percent. In the next five years, average asking rents are expected to increase from $25.52 per square foot in 2018 to $27.66 per square foot in 2022. Currently the average asking rent stands at $25.40 per square foot.

Average asking rental rates in the Midtown/Pershing/Brookwood submarket increased from an average of $26.40 per square foot in 2013 to $30.34 per square foot in 2017, demonstrating a CAGR of 3.5 percent. Over the next five years, average asking rents are expected to increase from $31.26 per square foot in 2018 to $33.04 per square foot in 2022. The current average asking rent stands at $31.10 per square foot.

The following table presents historical and projected average asking rental rates for the region and subject submarket.

Historical and Projected Average Asking Rental Rates ($/SF)										
	Atlanta					Midtown/Pershing/Brookwood				
Year	Class A	Class B/C	Total	% Change	Effective Rent	Class A	Class B/C	Total	% Change	Effective Rent
2013	$24.76	$17.50	$21.78	0.9	$17.20	$28.51	$20.17	$26.40	1.2	$21.58
2014	$25.26	$17.72	$22.18	1.8	$17.54	$28.64	$20.52	$26.68	1.1	$21.82
2015	$26.28	$18.22	$23.01	3.7	$18.21	$29.61	$21.42	$27.64	3.6	$22.63
2016	$27.44	$19.01	$24.02	4.4	$19.04	$31.82	$23.24	$29.77	7.7	$24.38
2017	$28.34	$19.67	$24.85	3.5	$19.70	$32.47	$23.51	$30.34	1.9	$24.89
3Q18	$28.91	$20.15	$25.40	0.6	$20.14	$32.76	$25.31	$31.10	0.7	$25.52
2018	---	---	$25.52	2.7	$20.20	---	---	$31.26	3.0	$25.62
2019	---	---	$26.09	2.2	$20.64	---	---	$31.77	1.6	$26.04
2020	---	---	$26.63	2.1	$21.06	---	---	$32.21	1.4	$26.33
2021	---	---	$27.16	2.0	$21.51	---	---	$32.63	1.3	$26.67
2022	---	---	$27.66	1.8	$21.92	---	---	$33.04	1.3	$26.93
2013-2017										
CAGR	**3.43%**	**2.97%**	**3.35%**			**3.30%**	**3.91%**	**3.54%**		

Source: Reis, Inc.
Notes: CAGR stands for Compound Annual Growth Rate. Asking rents cited by Reis reflect the advertised rental rates for actively marketed space. Effective rents net of any rental concessions, expressed over the life of the lease term. Reis quotes Office rents on a Gross basis.

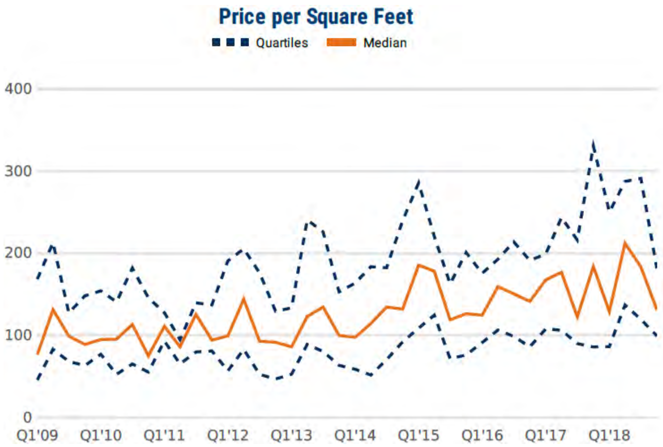
As shown, Class A buildings within the region are exhibiting higher average asking rents ($28.91 per square foot) than Class B/C buildings ($20.15 per square foot). Within the subject submarket, Class A buildings have higher average asking rents than Class B/C buildings ($32.76 per square foot versus $25.31 per square foot).

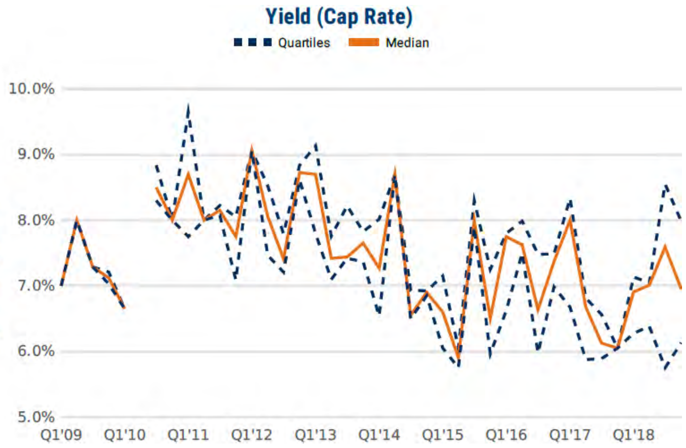
Atlanta Office Conclusion

Vacancy levels for the Atlanta Office market have decreased since 2013 and are expected to decline from 19.1 percent next year to 19.1 percent in 2022. Over the near term, new construction activity should exceed absorption, and average asking rates are forecasted to range from $25.52 per square foot at the end of next year to $27.66 per square foot in 2022.

Atlanta Office Investment Sales Market

According to Real Capital Analytics, 144 office sale transactions closed in the 12 months ending December 2018, with a total volume of $3.3 billion, averaging a price of approximately $195 per square foot. The 144 buildings total 16.9 million square feet. Capitalization rates for this period averaged 7.1 percent, with an average of 7.2 percent reported for the fourth quarter of 2018. As shown in the following graphic, prices have generally trended upward since late 2013 and have consistently fallen below the benchmark (United States) averages. Capitalization rates have trended downward during this period and have spent time above and below national averages, but generally trending in the same direction.





Source: *Real Capital Analytics*

Subject – 171 Seventeenth Street

Location and Description

171 Seventeenth Street is located at 171 17th Street NW, Atlanta, Fulton County, GA. The property is situated in the Midtown/Pershing/Brookwood submarket of the Atlanta Office Market. More specifically, the subject is located within the master planned mixed use development of Atlantic Station.

The subject is a 22-story, Class A, multi-tenant office building that contains 510,268 square feet of rentable area situated on a 29,621 square foot site. The improvements were completed in 2003 and are in excellent condition.

The property is currently 100.00 percent occupied by 34 tenants at an average contract rent of $25.25 per square foot. Wells Fargo is the primary credit tenant in the building and occupies approximately 30 percent of the space.

The highest year of turnover occurs in year two with approximately 40 percent; however, the remaining scheduled turnover during the holding period is relatively stable.

Overall, the occupancy is above that of the direct competitors and the local market at approximately 89 percent.

Transportation and Connectivity

Local area accessibility is generally good, relying on the following transportation arteries:

Local: The primary local roadways in the area include but are not limited to:

Peachtree Street NE, Spring Street NW (GA Highway 9/U.S. Highway 19), West Peachtree NE (GA Highway 9/U.S. Highway 19) Juniper Street NE, 10th Street NE, 14th Street, NE, North Avenue NE, Piedmont Avenue NE, and Ponce de Leon Avenue NE (GA Highway 8/U.S. Highway 29/78/278).

Regional: Interstate 75/85 is known as the *Downtown Connector* as Interstate 85 merges with Interstate 75 in Atlanta to form a 7.5 mile stretch through the core of the city. Interstate 75/85 is located just east of the subject.

Interstate 85, the primary route from Atlanta to Montgomery to the southwest and Charlotte to the northeast and provides access to Interstate 20, Georgia Highway 400, and bisects Interstate 285.

Interstate 75, which links Atlanta with Chattanooga to the north and Macon to the south, also provides access to Interstate 20, Interstate 575, Interstate 675, and bisects Interstate 285.

Interstate 20 is an east-west route in the southern portion of the United States and is the primary thoroughfare to Birmingham to the west and Augusta and Columbia to the east. It bisects Interstate 285 and intersects the Downtown Connector in downtown Atlanta.

Interstate 285, Atlanta's bypass, is known as *The Perimeter*. This 64-mile loop provides access to Interstates 75, 85, 20, 675, as well as Georgia Highway 400.

Georgia Highway 400 is accessible via Interstate 85. It is an eight-lane, limited access highway that runs generally north/south through the Atlanta communities of Sandy Springs, Dunwoody, Roswell and Alpharetta. The highway was extended southward in 1993 to link with Interstate 85 just to the north of Atlanta's Central Business District. The completion of this final stage dramatically improved access to the Central Perimeter area from Downtown, Midtown and Buckhead. More importantly, it created a more direct route to the Hartsfield-Jackson Atlanta International Airport.

The Midtown submarket has several MARTA stations, which are located within a few miles of the subject and accessible via bus. The MARTA rail line provides direct service to Buckhead, Downtown and the Hartsfield Jackson Atlanta Airport. Direct transportation to the subject is provided by car and bus via Interstate 75/85 and MARTA, Atlanta's light rail, subway and bus system, including subway transportation from the airport through Arts Center Station. Supported by more than fifteen domestic and international airlines, Hartsfield Atlanta International Airport is located thirteen miles southwest of the subject location and serves as the region's international gateway.

Competitive Market Survey – Micro Market - 171 Seventeenth Street

In order to gain a better understanding of the market conditions specific to the subject, we conducted a survey of those buildings that would be considered most competitive to the subject.

Micro Market Snapshot

We have identified office buildings with the following characteristics as being directly competitive with the subject.

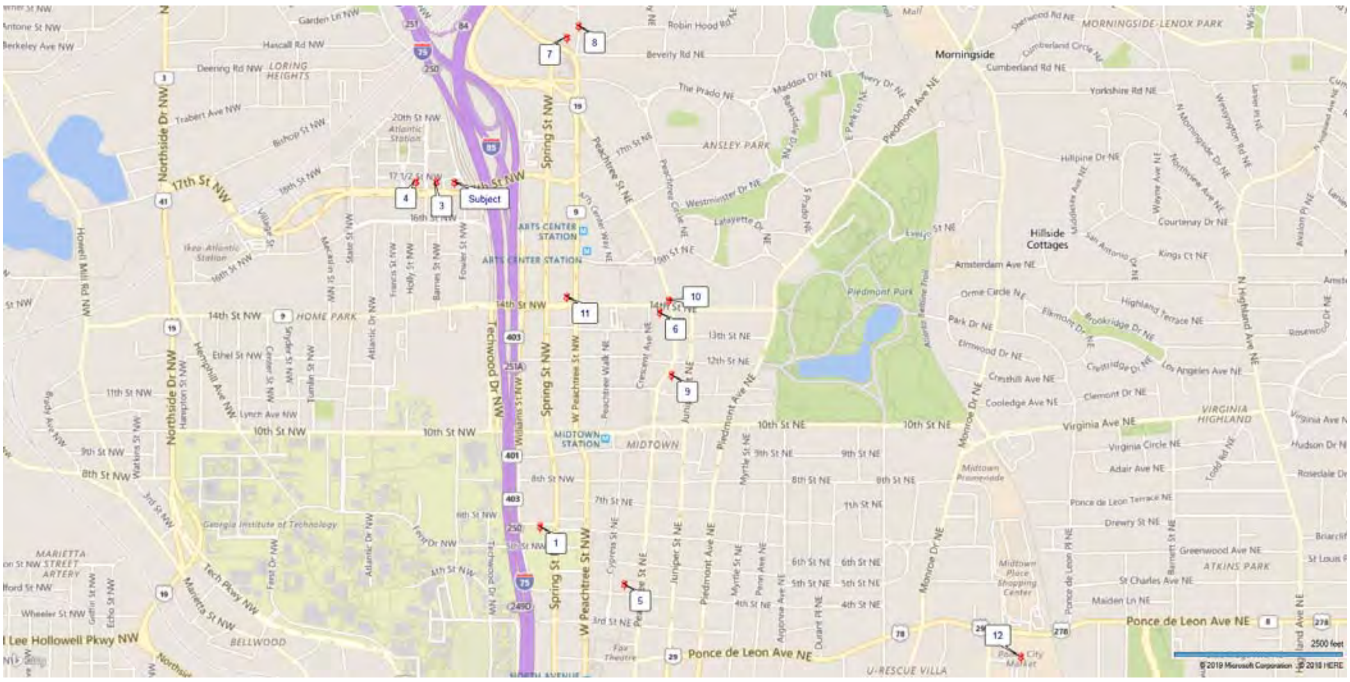
- Mid-rise to high-rise office product in the immediate Midtown vicinity
- Class A- product
- Minimum 100,000 square feet in total size

The following table contains the results of a CoStar Group and Cushman & Wakefield survey of existing competitive properties. These buildings are similar in terms of location, physical attributes, and access to amenities:

COMPETITIVE MICRO MARKET												
No.	Name	Address	Parking Ratio	Year Built	Stories	RBA (SF)	Direct Vacant SF	% Leased	Ask Rate/SF	Expenses	FS Equivalent
S	**171 Seventeenth Street**	**171 17th Street NW**	**2.10**	**2003**	**22**	**510,268**	**0**	**100.0**	**$28.50**	**Triple Net**	**$41.50**
1	Centergy One	75 5th St NW	0.61	2003	12	486,993	0	100.0	$39.00	Full Service Gross	**$52.00**
2	10 10th	10 10th St	1.96	2001	13	426,192	8,237	98.1	$41.00	Full Service Gross	**$41.00**
3	Atlantic Station	201 17th St NW	2.00	2007	18	355,870	30,369	91.5	$42.00	Full Service Gross	**$55.00**
4	BB&T Tower	271 17th St NW	2.00	2009	25	541,789	30,685	94.3	$42.00	Full Service Gross	**$42.00**
5	Midtown Center I	754 Peachtree St	0.00	2001	16	512,101	0	100.0	Withheld	-	**Withheld**
6	The Proscenium	1170 Peachtree St	2.00	2000	24	533,135	21,623	95.9	$41.00	Full Service Gross	**$41.00**
7	One Peachtree Pointe	1545 Peachtree St	2.00	1999	7	160,000	57,225	64.2	$35.00	Full Service Gross	**$35.00**
8	Two Peachtree Pointe	1555 Peachtree St	2.00	2007	17	294,279	50,166	83.0	$36.75	Full Service Gross	**$36.75**
9	12th & Midtown	1075 Peachtree St NE	2.00	2010	38	762,804	50,516	93.4	$28.13	Triple Net	**$41.13**
10	1180 Peachtree	1180 Peachtree St NE	1.75	2005	41	670,443	34,754	94.8	$44.00	Full Service Gross	**$44.00**
11	Regions Plaza	1180 W Peachtree St	2.00	2001	24	502,846	33,147	97.3	$39.46	Full Service Gross	**$39.46**
12	Ponce City Market	675 Ponce de Leon Ave NE	2.50	2014	9	615,244	0	100.0	Withheld	-	**Withheld**
OVERALL STATISTICS INCLUDING SUBJECT											
Low:			0.00	1999	7	160,000	0	64.2	$28.13		$35.00
High:			2.50	2014	41	762,804	57,225	100.0	$44.00		$55.00
Average/Total:			**1.76**	**2005**	**20**	**490,151**	**24,363**	**95.3**	**$37.89**		**$42.62**

FS- 'Full Service Gross'
Source: CoStar Goup, Inc. and Cushman & Wakefield of Georgia, LLC

COMPETITION MAP



We surveyed 13 competitive office buildings within the submarket, including the subject, containing approximately 6.4 million square feet. The average vacancy is approximately 4.7 percent, which is well below the city-wide average of 16.8 percent.

Average asking rates for competitive office space range from $35.00 to $55.00 per square foot, with an average of $42.62 per square foot on an equivalent full service (FS) rental basis. A “full service” lease structure is defined by market participants as tenants responsible for any increases in operating expenses over base year occupancy including real estate taxes, insurance, common area maintenance and utilities. Lease rates include a tenant improvement package ranging from $4.00 to $7.00 per square foot per year of the lease term for new leases, and none (As Is) to $3.00 per square foot per year of the lease term for renewal leases. Lease terms typically reflect annual escalations 2.5 to 3.0 percent for full service leases. The range in average asking rental rates is primarily based on the property location, the quality and amount of tenant buildout, and other property characteristics.

The subject falls generally in the middle of this set in terms of access to amenities, overall quality/condition, and parking facilities. Accordingly, it commands rents in line with those assumptions.

Subject’s Competitive Market Position

The subject is considered a Class A office complex by market participants based on its quality, condition and tenancy. The subject benefits from being located within a master-planned development located in a well-established submarket centrally located along Interstate 75/85, proximate to primary demand generators and local area amenities. In addition, the subject is located within the submarket of Midtown, which has a significant household base that supports professional and financial services for office tenancy. The subject also benefits from being located near major thoroughfares and public transportation with good accessibility from surrounding markets. The subject’s immediate market reflects a competitive supply of available office space with relatively stable rental rates. The subject offers adequate amenities that are attractive to prospective tenants as evidenced by its current tenancy. Thus, based on the subject’s locational characteristics, project quality and current tenancy, the subject has a good competitive position in comparison to other comparable buildings within the immediate market.

Micro Market Outlook and Conclusions

Overall, the outlook for the micro market is considered to be improving. The area is one of the most desirable in the entire Atlanta CBSA and demand continues to increase for square footage within the Micro Market. The subject is located within a unique and highly sought after master planned mixed use development that very few locations in the Atlanta CBSA offer.

SWOT ANALYSIS

Strengths

- The subject is located within a desirable mixed-use development providing local amenities, and the building has attractive finishes and amenities for the market.
- Rental rates within the submarket, and specifically at the subject, have been increasing, yielding below market in-place contract rent.
- Concessions within the market have been decreasing, improving real estate values.

Weaknesses

- Being within a mixed-use development, the subject’s desirability can be influenced by the performance of the overall development.
- While the subject is immediately accessible from the Downtown Connector, access to the highway from leaving the development is not as convenient.

Opportunities

- The CBSA continues to have an influx of residents moving back in the extended Midtown/Downtown submarket creating appeal for the location as a work destination.

Threats

- There are proposed office developments within the subject’s planned development that would create inherent competition, if delivered.

Respectfully submitted,

CUSHMAN & WAKEFIELD WESTERN, INC.

Judson H. Cline, MAI, MRICS
Senior Director
judson.cline@cushwake.com
916-473-7396 Office Direct

Addenda Contents

Addendum A: Assumptions and Limiting Conditions
Addendum B: Terms & Definitions

Addendum A:
Assumptions and Limiting Conditions

Assumptions and Limiting Conditions

"Report" means the consulting report and conclusions stated therein, to which these Assumptions and Limiting Conditions are annexed.

"Property" means the subject of the Report.

"Cushman & Wakefield" means Cushman & Wakefield, Inc. or its subsidiary that issued the Report.

"Appraiser(s)" means the employee(s) of Cushman & Wakefield who prepared and signed the Report.

The Report has been made subject to the following assumptions and limiting conditions:

- No opinion is intended to be expressed and no responsibility is assumed for the legal description or for any matters that are legal in nature or require legal expertise or specialized knowledge beyond that of a real estate appraiser. Title to the Property is assumed to be good and marketable and the Property is assumed to be free and clear of all liens unless otherwise stated. No survey of the Property was undertaken.
- The information contained in the Report or upon which the Report is based has been gathered from sources the Appraiser assumes to be reliable and accurate. The owner of the Property may have provided some of such information. Neither the Appraiser nor Cushman & Wakefield shall be responsible for the accuracy or completeness of such information, including the correctness of estimates, opinions, dimensions, sketches, exhibits and factual matters. Any authorized user of the Report is obligated to bring to the attention of Cushman & Wakefield any inaccuracies or errors that it believes are contained in the Report.
- The opinions are only as of the date stated in the Report. Changes since that date in external and market factors or in the Property itself can significantly affect the conclusions in the Report.
- The Report is to be used in whole and not in part. No part of the Report shall be used in conjunction with any other analyses. Publication of the Report or any portion thereof without the prior written consent of Cushman & Wakefield is prohibited. Reference to the Appraisal Institute or to the MAI designation is prohibited. Except as may be otherwise stated in the letter of engagement, the Report may not be used by any person(s) other than the party(ies) to whom it is addressed or for purposes other than that for which it was prepared. No part of the Report shall be conveyed to the public through advertising, or used in any sales, promotion, offering or SEC material without Cushman & Wakefield's prior written consent. Any authorized user(s) of this Report who provides a copy to, or permits reliance thereon by, any person or entity not authorized by Cushman & Wakefield in writing to use or rely thereon, hereby agrees to indemnify and hold Cushman & Wakefield, its affiliates and their respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the Report by any such unauthorized person(s) or entity(ies).
- Except as may be otherwise stated in the letter of engagement, the Appraiser shall not be required to give testimony in any court or administrative proceeding relating to the Property or the Report.
- The Report assumes (a) responsible ownership and competent management of the Property; (b) there are no hidden or unapparent conditions of the Property, subsoil or structures that render the Property more or less valuable (no responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them); (c) full compliance with all applicable federal, state and local zoning and environmental regulations and laws, unless noncompliance is stated, defined and considered in the Report; and (d) all required licenses, certificates of occupancy and other governmental consents have been or can be obtained and renewed for any use on which the value opinion contained in the Report is based.
- The physical condition of the improvements considered by the Report is based on visual inspection by the Appraiser or other person identified in the Report. Cushman & Wakefield assumes no responsibility for the soundness of structural components or for the condition of mechanical equipment, plumbing or electrical components.
- The forecasted potential gross income referred to in the Report may be based on lease summaries provided by the owner or third parties. The Report assumes no responsibility for the authenticity or completeness of lease information provided by others. Cushman & Wakefield recommends that legal advice be obtained regarding the interpretation of lease provisions and the contractual rights of parties.

- The forecasts of income and expenses are not predictions of the future. Rather, they are the Appraiser's best opinions of current market thinking on future income and expenses. The Appraiser and Cushman & Wakefield make no warranty or representation that these forecasts will materialize. The real estate market is constantly fluctuating and changing. It is not the Appraiser's task to predict or in any way warrant the conditions of a future real estate market; the Appraiser can only reflect what the investment community, as of the date of the Report, envisages for the future in terms of rental rates, expenses, and supply and demand.
- Unless otherwise stated in the Report, the existence of potentially hazardous or toxic materials that may have been used in the construction or maintenance of the improvements or may be located at or about the Property was not considered in arriving at the opinion of value. These materials (such as formaldehyde foam insulation, asbestos insulation and other potentially hazardous materials) may adversely affect the value of the Property. The Appraisers are not qualified to detect such substances. Cushman & Wakefield recommends that an environmental expert be employed to determine the impact of these matters on the opinion of value.
- Unless otherwise stated in the Report, compliance with the requirements of the Americans with Disabilities Act of 1990 (ADA) has not been considered in arriving at the opinion of value. Failure to comply with the requirements of the ADA may adversely affect the value of the Property. Cushman & Wakefield recommends that an expert in this field be employed to determine the compliance of the Property with the requirements of the ADA and the impact of these matters on the opinion of value.
- If the Report is submitted to a lender or investor with the prior approval of Cushman & Wakefield, such party should consider this Report as only one factor, together with its independent investment considerations and underwriting criteria, in its overall investment decision. Such lender or investor is specifically cautioned to understand all Extraordinary Assumptions and Hypothetical Conditions and the Assumptions and Limiting Conditions incorporated in this Report.
- Subject to applicable laws and regulations (including the Singapore Securities and Futures Act, Chapter 289 of Singapore) its sole and exclusive remedy for any and all losses or damages relating to this agreement or the report shall be limited to two millions dollars ($2.0 million). In the event that the Client, or any other party entitled to do so, makes a claim against Cushman & Wakefield or any of its affiliates or any of their respective officers or employees in connection with or in any way relating to this engagement or the report, the maximum damages recoverable from Cushman & Wakefield or any of its affiliates or their respective officers or employees shall be subject to applicable laws and regulations (including the Singapore Securities and Futures Act, Chapter 289 of Singapore) limited to two million dollars ($2.0 million) and under no circumstances shall any claim for consequential damages be made.
- If the Report is referred to or included in any offering material or prospectus, the Report shall be deemed referred to or included for informational purposes only and Cushman & Wakefield, its employees and the Appraiser have no liability to such recipients. Cushman & Wakefield disclaims any and all liability to any party other than the party that retained Cushman & Wakefield to prepare the Report.
- Unless otherwise noted, we were not given a soil report to review. However, we assume that the soil’s load-bearing capacity is sufficient to support existing and/or proposed structure(s). We did not observe any evidence to the contrary during our physical inspection of the property. Drainage appears to be adequate.
- Unless otherwise noted, we were not given a title report to review. We do not know of any easements, encroachments, or restrictions that would adversely affect the site’s use. However, we recommend a title search to determine whether any adverse conditions exist.
- Unless otherwise noted, we were not given a wetlands survey to review. If subsequent engineering data reveal the presence of regulated wetlands, it could materially affect property value. We recommend a wetlands survey by a professional engineer with expertise in this field.
- Unless otherwise noted, we observed no evidence of toxic or hazardous substances during our inspection of the site. However, we are not trained to perform technical environmental inspections and recommend the hiring of a professional engineer with expertise in this field.
- Unless otherwise noted, we did not inspect the roof nor did we make a detailed inspection of the mechanical systems. The appraisers are not qualified to render an opinion regarding the adequacy or condition of these components. The client is urged to retain an expert in this field if detailed information is needed.
- By use of this Report each party that uses this Report agrees to be bound by all of the Assumptions and Limiting Conditions, Hypothetical Conditions and Extraordinary Assumptions stated herein.

Addendum B:
Terms & Definitions

Terms and Definitions

Office

Existing Office inventory- In general, includes existing competitive buildings but does not include 85% or greater owner-occupied, government, retail, industrial, medical or, educational buildings. Inventory base square footage includes all competitive buildings that are classified as office. In the case of medical, note that medical tenants in an office building do not preclude the building's inclusion in statistics. The rule is that a medical building is built for the purpose of housing solely medical occupants and is often in an area dominated by medical uses such as hospitals or clinics. On average, the national minimum standard for inclusion in statistics is 20,000 square feet and while this may vary slightly by market, each market is required to incorporate a minimum threshold.

Class A- most prestigious buildings competing for premier office users with above average rents. High quality standards, well-located. Typically steel and concrete construction, built or renovated after 1980, quality tenants, excellent amenities & premium rents

Class B- buildings competing for wide range of office users with average rents. These buildings do not compete with Class A space. Typically built or renovated after 1960, with fair to good finishes & for a wide range of tenants.

Class C- buildings competing for tenants requiring functional space at below market rents.

CBD- Central Business District – typically a geographical area which includes the downtown office core of a metropolitan area or division.

Non-CBD/Suburbs- Everything in a market that is outside the CBD. Should always be referred to as suburban or suburbs.

Trophy Buildings- Building set distinguished by quality and location that merits its own rating superior to standard Class A properties. Internationally, these may also be referred to as "prime assets" and rents in such buildings may be referred to as "prime rents." In cases where trophy assets are not tracked separately, the Class A inventory in the functional CBD is the next best proxy for such trends.

General Statistical Terminology and Definitions

Asking rental rate (annual or monthly, gross or triple net, depending upon space use type) – The annual or monthly cost per square foot offered by the landlord or sub-landlord for leasing space, weighted by the amount of available space. Reported quarterly, gross, for all classes or subtypes.

Direct asking rent- rents quoted through the building landlord

Sublet asking rent- rents quoted through the master tenant

Direct vacant space- Space that is offered directly through the landlord that is free and clear of any current lease obligations. In order for inclusion in statistics, this space must be vacant or will be vacant by the end of the current reporting quarter. If the space does not meet that criteria, the space may be available, but should be out of statistics. Examples of such space include the leasing office, conference areas, or retail space that is available within the building such as sundry shops or dry cleaners.

Sublease vacant space- The same statistical rules apply to sublease space as to direct space. The difference is that sublease space is encumbered by a lease obligation. Sublease space may be offered through the tenant with the lease obligation, through the tenant's broker, or even through the landlord. It should be noted that even though space may be offered as a sublease, the space may actually be re-leased as direct space because the landlord decides to forgive the current lease obligation and draw up a new lease instead. For this reason, when sublease space is marked as "leased," one should find out if the space was actually leased as a sublease.

Available space- Space that is considered "on the market" whether vacant or not. See Availability Rate below.

Overall vacant space- The sum of direct available space and space available for sublease and new space.

Overall vacancy rate- The calculation used to determine the percent of overall space (direct + sublease + new) that is vacant:

Vacancy (%) = Overall vacant space divided by Inventory

Direct vacancy rate- The calculation used to determine the percent of direct space that is vacant:

Direct Vacancy (%) = Direct vacant space divided by Inventory

Sublet vacancy rate- The calculation used to determine the percent of sublease space that is vacant:

Sublease Vacancy (%) = Sublease vacant space divided by Inventory

Availability rate* - percent available on market regardless whether vacant or AIF (Available in the Future) - indicate timeframe available, i.e. 6 months.

Direct absorption- The net change in direct occupied space over a given period of time (excludes sublease space by definition) and is counted upon date of lease signing. However, for leases over a certain relevant size threshold for the market, direct absorption may be counted upon occupancy date and is calculated on a calendar year for each quarter and is not revised after the current year if it was determined to be correct at the time.

Sublet absorption- The net change in sublease occupied space over a given period of time and is counted upon date of lease signing. However, for leases over a certain relevant size threshold for the market, direct absorption may be counted upon occupancy date and is calculated on a calendar year for each quarter and is not revised after the current year if it was determined to be correct at the time.

Overall absorption- The net change in direct + sublease (overall) occupied space over a given period of time and is counted upon date of lease signing.However, for leases over a certain relevant size threshold for the market, direct absorption may be counted upon occupancy date and is calculated on a calendar year for each quarter and is not revised after the current year if it was determined to be correct at the time.

Leasing activity- The sum of all square footage underlying any leases over a period of time. This includes pre- leasing activity as well as expansions. It does not include renewals. Like absorption, leasing activity is calculated on a calendar year for each quarter and is not revised after the current year if it was determined to be correct at the time.

Pre-Leasing activity- The sum of all square footage underlying leases over a period of time for buildings that are under construction, under renovation or that have been proposed.

Lease renewal- Occurs when a lease on space expires and the tenant decides to stay in that space and extend the term either by using a new lease document or addendum to the tenant's prior lease agreement. It is C&W's policy to exclude renewals from leasing activity and from net absorption. If a tenant remains in the building but moves to another space within the building, this is leasing activity. If the tenant chooses to remain in the space, but takes additional space (expands), the expansion portion is considered leasing activity and should be counted separately from the total renewal (which should include the original space plus the expansion).

Under construction- Industrial and office square footage that are being built and have not received certificates of occupancy (C of O). Projects which are beyond site preparation (concrete slab poured and construction is actively progressing). For C&W statistical purposes, these buildings will not be completed by the last day of the reporting quarter.

Under renovation- Office and industrial buildings that are undergoing renovation, rehabilitation or conversion and require a certificate of occupancy to be habitable.

Construction completions- Commercial properties that have received certificates of occupancy for the first time in the building's history. Tenancy may not have taken place.

Build to Suit: a method of leasing property whereby the landlord builds to suit the tenant (according to tenant's specifications). The cost of construction is figured in to the rental amount of the lease, which is usually for a long term.

Speculative: a building constructed for lease or sale but without having a tenant or buyer before construction begins

Renovation completions- Commercial properties that have received their certificates of occupancy after undergoing renovation, rehabilitation or conversion.

Proposed construction- Industrial and office square footage that is planned for development at a future date and will not begin construction by the last day of the current reporting quarter. In order for a building to qualify as being proposed, a site plan must be in place and the building must be actively marketed by the landlord or landlord's agent.

Sales activity- Includes both user and investment sales of existing buildings. In other words, user office buildings that aren't in our statistics in the first place, are not tracked. However, leased buildings that become sold to a single occupant remain in statistics until after the end of the year and are taken out at the beginning of the next year. Investment sales are sales to entities that will lease or sell the building to others and are income-producing assets. Contrary to office building user sales, industrial building user sales are considered part of the inventory.

Cap Rate- A rate used to convert income to value. The percentage used to determine the value of income property through capitalization. The rate reflects the relationship between one years' income or an annual average of several years' income and the corresponding capital value over the same timeframe.

The calculation for calculating direct capitalization rates is:

$$\frac{\text{Income}}{\text{Rate}} = \text{Value} \quad \text{or} \quad \frac{\text{Income}}{\text{Value}} = \text{Rate}$$

A low direct capitalization rate usually denotes a lower risk property, and the higher the direct capitalization rate usually denotes a higher risk property, which usually brings a higher rate of return, if managed properly. Higher capitalization rates can also lead to lower rates of return in certain circumstances. Typically, a lower quality building has a higher capitalization rate than a Class A building.

TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION FOR AND ACCEPTANCE OF THE UNITS IN SINGAPORE

Applications are invited for the subscription of the Units at the Offering Price per Unit on the terms and conditions set out below and in the printed application forms to be used for the purpose of the Offering and which forms part of the prospectus (the "**Application Forms**") or, as the case may be, the Electronic Applications (as defined below).

Investors applying for the Units in the Offering by way of Application Forms or Electronic Applications are required to pay in Singapore dollars, the Offering Price of US$0.88 per Unit (S$1.20 per Unit), subject to a refund of the full amount or, as the case may be, the balance of the applications monies (in each case without interest or any share of revenue or other benefit arising therefrom) where (i) an application is rejected or accepted in part only, or (ii) if the Offering does not proceed for any reason.

(1) The minimal initial subscription is for 1,000 units. You may subscribe for a larger number of Units in integral multiples of 100. Your application for any other number of Units will be rejected.

(2) You may apply for the Units only during the period commencing at 9.00 p.m. on 8 July 2019 and expiring at 12.00 noon on 15 July 2019. The Offering period may be extended or shortened to such date and/or time as the Manager may agree with the Joint Bookrunners, subject to all applicable laws and regulations and the rules of the SGX-ST.

(3) (a) Your application for the Units offered in the Singapore Public Offer (the "**Public Offer Units**") may be made by way of the printed **WHITE** Public Offer Units Application Forms or by way of Automated Teller Machines ("**ATM**") belonging to the Participating Banks ("**ATM Electronic Applications**"), the Internet Banking ("**IB**") website of the relevant Participating Banks ("**Internet Electronic Applications**") or the DBS Bank Ltd. ("**DBS Bank**") mobile banking interface ("**mBanking Applications**", which together with the ATM Electronic Applications and Internet Electronic Applications, shall be referred to as "**Electronic Applications**").

(b) Your application for the Units offered in the Placement Tranche (the "**Placement Units**") may be made by way of the printed **BLUE** Placement Units Application Forms (or in such other manner as the Joint Bookrunners may in their absolute discretion deem appropriate).

(4) **You may not use your CPF Funds or CPF investible savings to apply for the Units**.

(5) Only one application may be made for the benefit of one person for the Public Offer Units in his own name. Multiple applications for the Public Offer Units will be rejected, except in the case of applications by approved nominee companies where each application is made on behalf of a different beneficiary.

You may not submit multiple applications for the Public Offer Units via the Public Offer Units Application Form, or Electronic Applications. A person who is submitting an application for the Public Offer Units by way of the Public Offer Units Application Form may not submit another application for the Public Offer Units by way of Electronic Applications and vice versa.

A person, other than an approved nominee company, who is submitting an application for the Public Offer Units in his own name should not submit any other

applications for the Public Offer Units, whether on a printed Application Form or by way of Electronic Application, for any other person. Such separate applications will be deemed to be multiple applications and shall be rejected.

Joint or multiple applications for the Public Offer Units shall be rejected. Persons submitting or procuring submissions of multiple applications for the Public Offer Units may be deemed to have committed an offence under the Penal Code, Chapter 224 of Singapore and the Securities and Futures Act, and such applications may be referred to the relevant authorities for investigation. Multiple applications or those appearing to be or suspected of being multiple applications (other than as provided herein) will be liable to be rejected at our discretion.

(6) Multiple applications may be made in the case of applications by any person for (i) the Placement Units only (via Placement Units Application Forms or such other form of application as the Joint Bookrunners may in their absolute discretion deem appropriate) or (ii) the Placement Units together with a single application for the Public Offer Units.

(7) Applications from any person under the age of 18 years, undischarged bankrupts, sole proprietorships, partnerships, chops or non-corporate bodies will be rejected. Applications from any joint Securities Account holders of CDP for the Public Offer Units will be rejected. Applications may be made by any joint Securities Account holders of CDP for the Placement Units.

(8) Applications from any person whose addresses (furnished in their printed Application Forms or, in the case of Electronic Applications, contained in the records of the relevant Participating Bank, as the case may be) bear post office box numbers will be rejected. No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the deceased's name at the time of the application.

(9) The existence of a trust will not be recognised. Any application by a trustee or trustees must be made in his/her or their own name(s) and without qualification or, where the application is made by way of a printed Application Form by a nominee, in the name(s) of an approved nominee company or approved nominee companies after complying with paragraph 10 below.

(10) **Nominee applications may only be made by approved nominee companies.** Approved nominee companies are defined as banks, merchant banks, finance companies, insurance companies, licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by nominees other than approved nominee companies will be rejected.

(11) **If you are not an approved nominee company, you must maintain a Securities Account with CDP in your own name at the time of your application.** If you do not have an existing Securities Account with CDP in your own name at the time of application, your application will be rejected (if you apply by way of an Application Form) or you will not be able to complete your application (if you apply by way of an Electronic Application). If you have an existing Securities Account with CDP but fail to provide your CDP Securities Account number or provide an incorrect CDP Securities Account number in your Application Form or in your Electronic Application, as the case may be, your application is liable to be rejected.

(12) Subject to paragraphs 14 to 17 below, your application is liable to be rejected if your particulars such as name, National Registration Identity Card ("**NRIC**") or passport number or company registration number, nationality and permanent residence status, and CDP Securities Account number provided in your Application Form, or in the case of

an Electronic Application, contained in the records of the relevant Participating Bank at the time of your Electronic Application, as the case may be, differ from those particulars in your Securities Account as maintained by CDP. If you have more than one individual direct Securities Account with CDP, your application shall be rejected.

(13) If your address as stated in the Application Form or, in the case of an Electronic Application, contained in the records of the relevant Participating Bank, as the case may be, is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allocation from CDP will be sent to your address last registered with CDP.

(14) This Prospectus and its accompanying documents (including the Application Forms) have not been registered in any jurisdiction other than in Singapore. The distribution of this Prospectus and its accompanying documents (including the Application Forms) may be prohibited or restricted (either absolutely or unless various securities requirements, whether legal or administrative, are complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions.

Without limiting the generality of the foregoing, neither this Prospectus and its accompanying documents (including the Application Forms) nor any copy thereof may be taken, transmitted, published or distributed, whether directly or indirectly, in whole or in part in or into the United States or any other jurisdiction (other than Singapore) and they do not constitute an offer of securities for sale into the United States or any jurisdiction in which such offer is not authorised or to any person to whom it is unlawful to make such an offer. The Units have not been and will not be registered under the Securities Act and may not be offered or sold within the United States (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state laws. The Units are being offered and sold outside the United States (including institutional and other investors in Singapore) in offshore transactions as defined in and in reliance on the exemption from registration provided by Regulation S. There will be no public offer of Units in the United States. Any failure to comply with this restriction may constitute a violation of securities laws in the United States and in other jurisdictions.

The Manager reserves the right to reject any application for Units where the Manager believes or has reason to believe that such applications may violate the securities laws or any applicable legal or regulatory requirements of any jurisdiction.

No person in any jurisdiction outside Singapore receiving this Prospectus or its accompanying documents (including the Application Form) may treat the same as an offer or invitation to subscribe for any Units unless such an offer or invitation could lawfully be made without compliance with any regulatory or legal requirements in those jurisdictions.

(15) The Manager reserves the right to reject any application which does not conform strictly to the instructions or with the terms and conditions set out in this Prospectus (including the instructions set out in the accompanying Application Forms, in the ATMs and IB websites of the relevant Participating Banks and the mobile banking interface ("**mBanking Interface**") of DBS Bank) or, in the case of an application by way of an Application Form, the contents of which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn up or improper form of remittance.

(16) The Manager further reserves the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions and terms and

conditions set out in this Prospectus (including the instructions set out in the accompanying Application Forms and in the ATMs and IB websites of the relevant Participating Banks and the mBanking Interface of DBS Bank), and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof. Without prejudice to the rights of the Manager, each of the Joint Bookrunners as agents of the Manager, has been authorised to accept, for and on behalf of the Manager, such other forms of application as the Joint Bookrunners may, in consultation with the Manager, deem appropriate.

(17) The Manager reserves the right to reject or to accept, in whole or in part, or to scale down or to ballot, any application, without assigning any reason therefor, and none of the Manager, nor any of the Joint Bookrunners will entertain any enquiry and/or correspondence on the decision of the Manager. This right applies to applications made by way of Application Forms and by way of Electronic Applications and by such other forms of application as the Joint Bookrunners may, in consultation with the Manager, deem appropriate. In deciding the basis of allocation, the Manager, in consultation with the Joint Bookrunners, will give due consideration to the desirability of allocating the Units to a reasonable number of applicants with a view to establishing an adequate market for the Units.

(18) In the event that the Manager lodges a supplementary or replacement prospectus ("**Relevant Document**") pursuant to the Securities and Futures Act or any applicable legislation in force from time to time prior to the close of the Offering, and the Units have not been issued, the Manager will (as required by law) at the Manager's sole and absolute discretion either:

(a) within two days (excluding any Saturday, Sunday or public holiday) from the date of the lodgement of the Relevant Document, give you notice in writing of how to obtain, or arrange to receive, a copy of the same and provide you with an option to withdraw your application and take all reasonable steps to make available within a reasonable period the Relevant Document to you if you have indicated that you wish to obtain, or have arranged to receive, a copy of the Relevant Document; or

(b) within seven days of the lodgement of the Relevant Document, give you a copy of the Relevant Document and provide you with an option to withdraw your application; or

(c) deem your application as withdrawn and cancelled and refund your application monies (without interest or any share of revenue or other benefit arising therefrom) to you within seven days from the lodgement of the Relevant Document.

Any applicant who wishes to exercise his option under paragraphs 18(a) and 18(b) above to withdraw his application shall, within 14 days from the date of lodgement of the Relevant Document, notify the Manager whereupon the Manager shall, within seven days from the receipt of such notification, return all monies in respect of such application (without interest or any share of revenue or other benefit arising therefrom).

In the event that the Units have already been issued at the time of the lodgement of the Relevant Document but trading has not commenced, the Manager will (as required by law) either:

(i) within two days (excluding any Saturday, Sunday or public holiday) from the date of the lodgement of the Relevant Document, give you notice in writing of how to obtain, or arrange to receive, a copy of the same and provide you with an option to return to the Manager the Units which you do not wish to retain title in and take all reasonable steps to make available within a reasonable period the Relevant Document to you if you have indicated that you wish to obtain, or have arranged to receive, a copy of the Relevant Document; or

(ii) within seven days from the lodgement of the Relevant Document, give you a copy of the Relevant Document and provide you with an option to return the Units which you do not wish to retain title in; or

(iii) deem the issue as void and refund your payment for the Units (without interest or any share of revenue or other benefit arising therefrom) within seven days from the lodgement of the Relevant Document.

Any applicant who wishes to exercise his option under paragraphs 19(i) and 19(ii) above to return the Units issued to him shall, within 14 days from the date of lodgement of the Relevant Document, notify the Manager of this and return all documents, if any, purporting to be evidence of title of those Units, whereupon the Manager shall, within seven days from the receipt of such notification and documents, pay to him all monies paid by him for the Units without interest or any share of revenue or other benefit arising therefrom and at his own risk, and the Units issued to him shall be deemed to be void.

Additional terms and instructions applicable upon the lodgement of the Relevant Document, including instructions on how you can exercise the option to withdraw, may be found in such Relevant Document.

(19) The Units may be reallocated between the Placement Tranche and the Singapore Public Offer at the discretion of the Joint Bookrunners, in consultation with the Manager subject to any applicable laws.

(20) There will not be any physical security certificates representing the Units. It is expected that CDP will send to you, at your own risk, within 15 Market Days after the close of the Offering, and subject to the submission of valid applications and payment for the Units, a statement of account stating that your Securities Account has been credited with the number of Units allocated to you. This will be the only acknowledgement of application monies received and is not an acknowledgement by the Manager. You irrevocably authorise CDP to complete and sign on your behalf as transferee or renouncee any instrument of transfer and/or other documents required for the issue or transfer of the Units allocated to you. This authorisation applies to applications made both by way of Application Forms and by way of Electronic Applications.

(21) You irrevocably authorise CDP to disclose the outcome of your application, including the number of Units allocated to you pursuant to your application, to the Manager, the Sole Financial Adviser and Issue Manager, the Joint Bookrunners and any other parties so authorised by CDP, the Manager, the Sole Financial Adviser and Issuer Manager and/or the Joint Bookrunners.

(22) Any reference to “you” or the “Applicant” in this section shall include an individual, a corporation, an approved nominee company and trustee applying for the Units by way of an Application Form or by way of Electronic Application or by such other manner as the Joint Bookrunners may, in their absolute discretion, deem appropriate.

(23) By completing and delivering an Application Form and, in the case of: (i) an ATM Electronic Application, by pressing the “Enter” or “OK” or “Confirm” or “Yes” key or any other relevant key on the ATM, (ii) in the case of an Internet Electronic Application, by clicking “Submit” or “Continue” or “Yes” or “Confirm” or any other button on the IB

website screen, or (iii) in the case of an mBanking Application, by transmitting "Submit" or "Continue" or "Yes" or "Confirm" or any other icon via the mBanking Interface in accordance with the provisions herein, you:

(a) irrevocably agree and undertake to purchase the number of Units specified in your application (or such smaller number for which the application is accepted) at the Offering Price and agree that you will accept such number of Units as may be allocated to you, in each case on the terms of, and subject to the conditions set out in, the Prospectus and its accompanying documents (including the Application Forms) and the Trust Deed;

(b) agree that, in the event of any inconsistency between the terms and conditions for application set out in this Prospectus and its accompanying documents (including the Application Form) and those set out in the IB websites, mBanking Interface or ATMs of the relevant Participating Banks, the terms and conditions set out in this Prospectus and its accompanying documents (including the Application Forms) shall prevail;

(c) in the case of an application by way of a Public Offer Units Application Form or an Electronic Application, agree that the Offering Price for the Public Offer Units applied for is due and payable to the Manager upon application;

(d) in the case of an application by way of a Placement Units Application Form or such other forms of application as the Joint Bookrunners may in their absolute discretion deem appropriate, agree that the Offering Price for the Placement Units applied for is due and payable to the Manager upon application;

(e) warrant the truth and accuracy of the information contained, and representations and declarations made, in your application, and acknowledge and agree that such information, representations and declarations will be relied on by the Manager in determining whether to accept your application and/or whether to allocate any Units to you;

(f) (i) consent to the collection, use, processing and disclosure of your name, NRIC/passport number or company registration number, address, nationality, permanent resident status, Securities Account number, share application amount, the outcome of your application (including the number of Invitation Shares allocated to you pursuant to your application) and other personal data ("**Personal Data**") by the Unit Registrar, CDP, Securities Clearing Computer Services (Pte) Ltd ("**SCCS**"), SGX-ST, the Participating Banks, the Manager, the Sole Financial Adviser and Issue Manager, the Joint Bookrunners and/or other authorised operators (the "**Relevant Parties**") for the purpose of the processing of your application for the Invitation Shares, and in order for the Relevant Parties to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**") and warrant that such Personal Data is true, accurate and correct, (ii) warrant that where you, as an approved nominee company, disclose the Personal Data of the beneficial owner(s) to the Relevant Parties, you have obtained the prior consent of such beneficial owner(s) for the collection, use, processing and disclosure by the Relevant Parties of the Personal Data of such beneficial owner(s) for the Purposes, (iii) agree that the Relevant Parties may do anything or disclose any Personal Data or matters without notice to you if the Sole Financial Adviser and Issue Manager and/or the Joint Bookrunners considers them to be required or desirable in respect of any applicable policy, law, regulation, government entity, regulatory authority or similar body, and (iv) agree that you will indemnify the Relevant Parties in respect of any penalties, liabilities, claims, demands, losses and damages as a result of your breach of warranties. You also agree that the Relevant

Parties shall be entitled to enforce this indemnity (collectively, the "**Personal Data Privacy Terms**");

(g) agree and warrant that, if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and none of the Manager nor any of the Joint Bookrunners will infringe any such laws as a result of the acceptance of your application;

(h) agree and confirm that you are outside the United States; and

(i) understand that the Units have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act and applicable state securities laws. There will be no public offer of the Units in the United States. Any failure to comply with this restriction may constitute a violation of the United States securities laws.

(24) Acceptance of applications will be conditional upon, among others, the Manager being satisfied that:

(a) permission has been granted by the SGX-ST to deal in and for the quotation of all of the (i) Units comprised in the Offering, (ii) the KBS Units, (iii) the Cornerstone Units and (iv) Units which will be issued to the Manager from time to time in full or part payment of the Manager's fees on the Main Board of the SGX-ST;

(b) the Singapore Offer Agreement, referred to in the section on "Plan of Distribution" in this Prospectus, has become unconditional and has not been terminated; and

(c) the Authority has not served a stop order which directs that no or no further Units to which this Prospectus relates be allotted or issued ("**Stop Order**"). The Securities and Futures Act provides that the Authority shall not serve a Stop Order if all the Units have been issued, sold, and listed for quotation on the SGX-ST and trading in them has commenced.

(25) In the event that a Stop Order in respect of the Units is served by the Authority or other competent authority, and:

(a) the Units have not been issued (as required by law), all applications shall be deemed to be withdrawn and cancelled and the Manager shall refund the application monies (without interest or any share of revenue or other benefit arising therefrom) to you within 14 days of the date of the Stop Order; or

(b) if the Units have already been issued but trading has not commenced, the issue will (as required by law) be deemed void and the Manager shall refund your payment for the Units (without interest or any share of revenue or other benefit arising therefrom) to you within 14 days from the date of the Stop Order.

This shall not apply where only an interim Stop Order has been served.

(26) In the event that an interim Stop Order in respect of the Units is served by the Authority or other competent authority, no Units shall be issued to you until the Authority revokes the interim Stop Order. The Authority is not able to serve a Stop Order in respect of the Units if the Units have been issued and listed on the SGX-ST and trading in them has commenced.

(27) Additional terms and conditions for applications by way of Application Forms are set out in the section “Additional Terms and Conditions for Applications using Printed Application Forms” on pages G-8 to G-12 of this Prospectus.

(28) Additional terms and conditions for applications by way of Electronic Applications are set out in the section “Additional Terms and Conditions for Electronic Applications” on pages G-12 to G-23 of this Prospectus.

(29) All payments in respect of any application for Public Offer Units, and all refunds where (a) an application is rejected or accepted in part only or (b) the Offering does not proceed for any reason, shall be made in Singapore dollars.

(30) All payments in respect of any application for Placement Units, and all refunds where (a) an application is rejected or accepted in part only or (b) the Offering does not proceed for any reason, shall be made in Singapore dollars.

(31) All refunds where (a) an application is rejected or accepted in part only or (b) the Offering does not proceed for any reason, shall be made in Singapore dollars.

(32) No application will be held in reserve.

(33) This Prospectus is dated 8 July 2019. No Units shall be allotted or allocated on the basis of this Prospectus later than 12 months after the date of this Prospectus.

Additional Terms and Conditions for Applications using Printed Application Forms

Applications by way of an Application Form shall be made on, and subject to the terms and conditions of this Prospectus, including but not limited to the terms and conditions set out below, as well as those set out under the section entitled “Terms, Conditions and Procedures for Application for and Acceptance of the Units in Singapore” on pages G-1 and G-23 of this Prospectus and the Trust Deed.

(1) Applications for the Public Offer Units must be made using the printed **WHITE** Public Offer Units Application Forms and printed **WHITE** official envelopes “A” and “B”, accompanying and forming part of this Prospectus.

Applications for the Placement Units must be made using the printed BLUE Placement Units Application Forms (or in such manner as the Joint Bookrunners may in their absolute discretion deem appropriate), accompanying and forming part of this Prospectus.

Without prejudice to the rights of the Manager and the Joint Bookrunners, the Joint Bookrunners, as agents of the Manager, have been authorised to accept, for and on behalf of the Manager, such other forms of application, as the Joint Bookrunners may (in consultation with the Manager) deem appropriate.

Your attention is drawn to the detailed instructions contained in the Application Forms and this Prospectus for the completion of the Application Forms, which must be carefully followed. **The Manager reserves the right to reject applications which do not conform strictly to the instructions set out in the Application Forms and this Prospectus (or, in the case of applications for the Placement Units, followed) which are illegible, incomplete, incorrectly completed or which are accompanied by improperly drawn remittances or improper form of remittances.**

(2) You must complete your Application Forms in English. Please type or write clearly in ink using **BLOCK LETTERS**.

(3) You must complete all spaces in your Application Forms except those under the heading "FOR OFFICIAL USE ONLY" and you must write the words "**NOT APPLICABLE**" or "**N.A.**" in any space that is not applicable.

(4) Individuals, corporations, approved nominee companies and trustees must give their names in full. If you are an individual, you must make your application using your full name as it appears on your NRIC (if you have such an identification document) or in your passport and, in the case of a corporation, in your full name as registered with a competent authority. If you are not an individual, you must complete the Application Form under the hand of an official who must state the name and capacity in which he signs the Application Form. If you are a corporation completing the Application Form, you are required to affix your common seal (if any) in accordance with your Memorandum and Articles of Association or equivalent constitutive documents of the corporation. If you are a corporate applicant and your application is successful, a copy of your Memorandum and Articles of Association or equivalent constitutive documents must be lodged with Prime US REIT's Unit Registrar. The Manager reserves the right to require you to produce documentary proof of identification for verification purposes.

(5) (a) You must complete Sections A and B and sign page 1 of the Application Form.

(b) You are required to delete either paragraph 7(c) or 7(d) on page 1 of the Application Form. Where paragraph 7(c) is deleted, you must also complete Section C of the Application Form with particulars of the beneficial owner(s).

(c) If you fail to make the required declaration in paragraph 7(c) or 7(d), as the case may be, on page 1 of the Application Form, your application is liable to be rejected.

(6) You (whether an individual or corporate applicant, whether incorporated or unincorporated and wherever incorporated or constituted) will be required to declare whether you are a citizen or permanent resident of Singapore or a corporation in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore have an interest in the aggregate of more than 50 per cent. of the issued share capital of or interests in such corporation. If you are an approved nominee company, you are required to declare whether the beneficial owner of the Units is a citizen or permanent resident of Singapore or a corporation, whether incorporated or unincorporated and wherever incorporated or constituted, in which citizens or permanent residents of Singapore or any body corporate incorporated or constituted under any statute of Singapore have an interest in the aggregate of more than 50 per cent. of the issued share capital of or interests in such corporation.

(7) You may apply and make payment for your application for the Units in Singapore currency using only cash. Each application must be accompanied by a cash remittance in Singapore currency for the full amount payable in Singapore dollars (in the case of the Public Offer Units such amount being S$1.20 based on the exchange rate of US$1.00 to S$1.3636, as determined by the Manager in consultation with DBS Bank Ltd.) or United States dollars (in the case of the Placement Units) of the Offering Price per unit, in respect of the number of Units applied for. The remittance must in the form of a BANKER'S **DRAFT or CASHIER'S ORDER** drawn on a bank in Singapore, made out in favour of "**PRIME SGD UNIT ISSUE ACCOUNT**" crossed "**A/C PAYEE ONLY**" with your name, CDP Securities Account number and address written clearly on the reverse side. Applications not accompanied by any payment or accompanied by any other form of payment will not be accepted. No combined Banker's Draft or Cashier's Order for different CDP Securities Accounts shall be accepted. Remittances bearing "**NOT TRANSFERABLE**" or "**NON-TRANSFERABLE**" crossings will be rejected.

(8) Monies paid in respect of unsuccessful applications are expected to be returned (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post, in the event of oversubscription for the Units, within 24 hours of the balloting (or such shorter period as the SGX-ST may require), at your own risk. Where your application is rejected or accepted or in part only, the full amount or the balance of the application monies, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 Market Days after the close of the Offering, PROVIDED THAT the remittance accompanying such application which has been presented for payment or other processes has been honoured and the application monies received in the designated unit issue account. If the Offering does not proceed for any reason, the full amount of application monies (without interest or any share of revenue or other benefit arising therefrom) will be returned to you within three Market Days after the Offering is discontinued.

(9) Capitalised terms used in the Application Forms and defined in this Prospectus shall bear the meanings assigned to them in this Prospectus.

(10) By completing and delivering the Application Forms, you agree that:

(a) in consideration of the Manager having distributed the Application Form to you and by completing and delivering the Application Form before the close of the Offering:

(i) your application is irrevocable;

(ii) your remittance will be honoured on first presentation and that any monies returnable may be held pending clearance of your payment without interest or any share of revenue or other benefit arising therefrom; and

(iii) you represent and agree that you are located outside the United States (within the meaning of Regulation S);

(b) all applications, acceptances or contracts resulting therefrom under the Offering shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;

(c) in respect of the Units for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification by or on behalf of the Manager and not otherwise, notwithstanding any remittance being presented for payment by or on behalf of the Manager;

(d) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;

(e) reliance is placed solely on information contained in this Prospectus and that none of the Manager, the Sponsor, the Sole Financial Adviser and Issue Manager, the Joint Bookrunners or any other person involved in the Offering shall have any liability for any information not contained therein;

(f) you accept and agree to the Personal Data Privacy Terms set out in this Prospectus; and

(g) you irrevocably agree and undertake to purchase the number of Units applied for as stated in the Application Form or any smaller number of such Units that may be allocated to you in respect of your application. In the event that the Manager decides to allocate any smaller number of Units or not to allocate any Units to you, you agree to accept such decision as final.

Procedures Relating to Applications for the Public Offer Units by Way of Printed Application Forms

(1) Your application for the Public Offer Units by way of printed Application Forms must be made using the **WHITE** Public Offer Units Application Forms and **WHITE** official envelopes “**A**” and “**B**”.

(2) You must:

(a) enclose the **WHITE** Public Offer Units Application Form, duly completed and signed, together with correct remittance for the full amount payable at the Offering Price in Singapore currency in accordance with the terms and conditions of this Prospectus and its accompanying documents, in the **WHITE** official envelope “**A**” provided;

(i) write your name and address;

(ii) state the number of Public Offer Units applied for; and

(iii) tick the relevant box to indicate form of payment;

(c) **SEAL THE WHITE OFFICIAL ENVELOPE** “**A**”;

(d) write, in the special box provided on the larger **WHITE** official envelope “**B**” addressed to Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623, the number of Public Offer Units you have applied for;

(e) insert the WHITE official envelope “**A**” into the **WHITE** official envelope “**B**” and seal the **WHITE OFFICIAL ENVELOPE** “**B**”; and

(f) affix adequate Singapore postage on the **WHITE** official envelope “**B**” (if dispatching by ordinary post) and thereafter **DESPATCH BY ORDINARY POST OR DELIVER BY HAND** the documents at your own risk to Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623, so as to arrive by 12.00 noon on 15 July 2019 or such other date(s) and time(s) as the Manager may agree with the Joint Bookrunners. **Courier services or Registered Post must NOT be used.**

(3) Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or which are not honoured upon their first presentation are liable to be rejected. Except for application for the Placement Units where remittance is permitted to be submitted separately, applications for the Public Offer Units not accompanied by any payment or any other form of payment will not be accepted.

(4) **ONLY ONE APPLICATION** should be enclosed in each envelope. No acknowledgement of receipt will be issued for any application or remittance received.

Procedures Relating to Applications for the Placement Units by Way of Printed Application Forms

(1) Your application for the Placement Units by way of printed Application Forms must be made using the **BLUE** Placement Units Application Forms.

(2) The completed and signed BLUE Placement Units Application Form and your remittance, in accordance with the terms and conditions of this Prospectus, for the full amount payable at the Offering Price, as the case may be, for each Unit in respect of the number of Placement Units applied for, with your name, CDP Securities Account number and address clearly written on the reverse side, must be enclosed and sealed in an envelope to be provided by you. Your application for Placement Units must be delivered to Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623, to arrive by 12.00 noon on 15 July 2019 or such other date(s) and time(s) as the Manager may agree with the Joint Bookrunners. **Courier services or Registered Post must NOT be used.**

(3) Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or which are not honoured upon their first presentation are liable to be rejected.

(4) **ONLY ONE APPLICATION** should be enclosed in each envelope. No acknowledgement of receipt will be issued for any application or remittance received.

Additional Terms and Conditions for Electronic Applications

Electronic Applications shall be made on and subject to the terms and conditions of this Prospectus, including but not limited to the terms and conditions set out below and those under the section "Terms, Conditions and Procedures for Application for and Acceptance of the Units in Singapore" on pages G-1 to G-23 of this Prospectus, as well as the Trust Deed.

(1) The procedures for Electronic Applications are set out on the ATM screens of the relevant Participating Banks (in the case of ATM Electronic Applications), the IB website screens of the relevant Participating Banks (in the case of Internet Electronic Applications) and the mBanking Interface of DBS Bank (in the case of mBanking Applications). DBS Bank is the only Participating Bank through which mBanking Applications may be made.

(2) For illustration purposes, the procedures for Electronic Applications for Public Offer Units through ATMs, the IB website of DBS Bank and the mBanking Interface (together the "**Steps**") are set out in pages G-22 to G-23 of this Prospectus. The Steps set out the actions that you must take at ATMs, the IB website or the mBanking Interface of DBS Bank to complete an Electronic Application. The actions that you must take at the ATMs or the IB websites of the other Participating Banks are set out on the ATM screens, the IB website screens of the respective Participating Banks. Please read carefully the terms and conditions of this Prospectus and its accompanying documents (including the Application Form), the Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application.

(3) Any reference to "you" or the "Applicant" in these Additional Terms and Conditions for Electronic Applications and the Steps shall refer to you making an application for Public Offer Units through an ATM of one of the relevant Participating Banks, the IB website of a relevant Participating Bank or the mBanking Interface of DBS Bank.

(4) If you are making an ATM Electronic Application:

   (a) You must have an existing bank account with and be an ATM cardholder of one of the Participating Banks. An ATM card issued by one Participating Bank cannot be used to apply for Public Offer Units at an ATM belonging to other Participating Banks.

(b) You must ensure that you enter your own CDP Securities Account number when using the ATM card issued to you in your own name. If you fail to use your own ATM card or do not key in your own CDP Securities Account number, your application will be rejected. If you operate a joint bank account with any of the Participating Banks, you must ensure that you enter your own CDP Securities Account number when using the ATM card issued to you in your own name. Using your own CDP Securities Account number with an ATM card which is not issued to you in your own name will render your Electronic Application liable to be rejected.

(c) Upon the completion of your ATM Electronic Application, you will receive an ATM transaction slip ("**Transaction Record**"), confirming the details of your ATM Electronic Application. The Transaction Record is for your retention and should not be submitted with any printed Application Form.

(5) If you are making an Internet Electronic Application or a mBanking Application:

(a) You must have an existing bank account with, and a User Identification ("**User ID**") as well as a Personal Identification Number ("**PIN**") given by, the relevant Participating Bank.

(b) You must ensure that the mailing address of your account selected for the application is in Singapore and you must declare that the application is being made in Singapore. Otherwise, your application is liable to be rejected. In connection with this, you will be asked to declare that you are in Singapore at the time you make the application.

(c) Upon the completion of your Internet Electronic Application through the IB website of the relevant Participating Bank or the mBanking Interface of DBS Bank, there will be an on-screen confirmation ("**Confirmation Screen**") of the application which can be printed out or screen captured by you for your record. This printed record or screen capture of the Confirmation Screen is for your retention and should not be submitted with any printed Application Form.

(6) In connection with your Electronic Application for Public Offer Units, you are required to confirm statements to the following effect in the course of activating the Electronic Application:

(a) that you have received a copy of the Prospectus (in the case of Electronic Applications) and have read, understood and agreed to all the terms and conditions of application for the Public Offer Units and the Prospectus prior to effecting the Electronic Application and agree to be bound by the same;

(b) you accept and agree to the Personal Data Privacy Terms set out in this Prospectus; and

(c) where you are applying for the Public Offer Units, that this is your only application for the Public Offer Units and it is made in your name and at your own risk.

Your application will not be successfully completed and cannot be recorded as a completed transaction unless you press the "Enter" or "OK" or "Confirm" or "Yes" or any other relevant key in the ATM or click "Confirm" or "OK" or "Submit" or "Continue" or "Yes" or any other relevant button on the website screen or the mBanking Interface. By doing so, you shall be treated as signifying your confirmation of each of the three statements above. In respect of statement 6(b) above, your confirmation, by pressing the "Enter" or "OK" or "Confirm" or "Yes" or any other relevant key in the ATM or clicking "Confirm" or "OK" or "Submit" or "Continue" or "Yes" or any other relevant button, shall signify and shall be treated as your written permission, given in accordance with the relevant laws of Singapore, including Section 47(2) of the Banking Act, Chapter 19 of Singapore, to the disclosure by that Participating Bank of the Relevant Particulars of your account(s) with that Participating Bank to the Relevant Parties.

By making an Electronic Application you confirm that you are not applying for the Public Offer Units as a nominee of any other person and that any Electronic Application that you make is the only application made by you as the beneficial owner. You shall make only one Electronic Application for the Public Offer Units and shall not make any other application for the Public Offer Units whether at the ATMs of any Participating Bank, the IB websites of the relevant Participating Banks or the mBanking Interface of DBS Bank or on the Application Forms. Where you have made an application for the Public Offer Units on an Application Form, you shall not make an Electronic Application for the Public Offer Units and vice versa.

(7) You must have sufficient funds in your bank account with your Participating Bank at the time you make your ATM Electronic Application, Internet Electronic Application or mBanking Application, failing which such Electronic Application will not be completed. Any Electronic Application which does not conform strictly to the instructions set out in this Prospectus or on the screens of the ATMs or on the IB website of the relevant Participating Bank or the mBanking Interface of DBS Bank, as the case may be, through which your Electronic Application is being made shall be rejected.

(8) You may apply and make payment for your application for the Public Offer Units in Singapore currency through any ATM or IB website of your Participating Bank or the mBanking Interface of DBS Bank (as the case may be) by authorising your Participating Bank to deduct the full amount payable from your bank account(s) with such Participating Bank.

(9) You irrevocably agree and undertake to subscribe for and to accept the number of Public Offer Units applied for as stated on the Transaction Record or the Confirmation Screen or any lesser number of such Public Offer Units that may be allocated to you in respect of your Electronic Application. In the event that the Manager decides to allocate any lesser number of such Public Offer Units or not to allocate any Public Offer Units to you, you agree to accept such decision as final. If your Electronic Application is successful, your confirmation (by your action of pressing the "Enter" or "OK" or "Confirm" or "Yes" or any other relevant key in the ATM or clicking "Confirm" or "OK" or "Submit" or "Continue" or "Yes" or any other relevant button on the Internet screen or the mBanking Interface of DBS Bank) of the number of Public Offer Units applied for shall signify and shall be treated as your acceptance of the number of Public Offer Units that may be allocated to you and your agreement to be bound by the Trust Deed.

(10) The Manager will not keep any application in reserve. Where your Electronic Application is unsuccessful, the full amount of the application monies will be returned (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with your Participating Bank, within 24 hours of the balloting (or such shorter period as the SGX-ST may require) provided that the remittance in respect of such application which has been presented for payment or other processes has been honoured and the application monies received in the designated unit issue account.

Where your Electronic Application is accepted or rejected in full or in part only, the balance of the application monies, as the case may be, will be returned (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with your Participating Bank, within 14 Market Days after the close of the Offering provided that the remittance in respect of such application which has been presented for payment or other processes has been honoured and the application monies received in the designated unit issue account.

If the Offering does not proceed for any reason, the full amount of application monies (without interest or any share of revenue or other benefit arising therefrom) will be returned to you within three Market Days after the Offering is discontinued.

Responsibility for timely refund of application monies (whether from unsuccessful or partially successful Electronic Applications or otherwise) lies solely with the respective Participating Banks. Therefore, you are strongly advised to consult your Participating Bank as to the status of your Electronic Application and/or the refund of any money to you from an unsuccessful or partially successful Electronic Application, to determine the exact number of Public Offer Units, if any, allocated to you before trading the Units on the SGX-ST. None of the SGX-ST, CDP, SCCS, the Participating Banks, the Manager, the Sole Financial Adviser and Issue Manager, the Joint Bookrunners assume any responsibility for any loss that may be incurred as a result of you having to cover any net sell positions or from buy-in procedures activated by the SGX-ST.

(11) If your Electronic Application is unsuccessful, no notification will be sent by the relevant Participating Bank.

(12) Applicants who make ATM Electronic Applications through the ATMs of the following Participating Banks may check the provisional results of their ATM Electronic Applications as follows:

Bank	Telephone	Other Channels	Operating Hours	Service expected from
DBS Bank Ltd. (including POSB) ("**DBS Bank**")	1800 339 6666 (for POSB account holders) 1800 111 1111 (for DBS account holders)	IB http://www.dbs.com[(1)]	24 hours a day	Evening of the balloting day
Oversea-Chinese Banking Corporation Limited ("**OCBC**")	1800 363 3333	Phone Banking/ATM/ Internet Banking http://www.ocbc.com[(2)]	24 hours a day	Evening of the balloting day
United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited ("**UOB Group**")	1800 222 2121	ATM (Other Transactions "IPO Enquiry")/ Internet Banking http://www.uobgroup.com[(3)]	24 hours a day	Evening of the balloting day

Notes:

(1) Applicants who have made Internet Electronic Applications through the IB websites of DBS Bank or mBanking Applications through the mBanking Interface of DBS Bank may also check the results of their applications through the same channels listed in the table above in relation to ATM Electronic Applications made at the ATMs of DBS Bank.

(2) Applicants who have made Electronic Application through the ATMs of OCBC may check the results of their applications through OCBC Personal Internet Banking, OCBC ATMs or OCBC Phone Banking services.

(3) Applicants who have made Electronic Application through the ATMs or the IB website of the UOB Group may check the results of their applications through UOB Personal Internet Banking, UOB ATMs or UOB Phone Banking services.

(13) ATM Electronic Applications shall close at 12.00 noon on 15 July 2019 or such other date(s) and time(s) as the Manager may agree with the Joint Bookrunners. All Internet Electronic Applications and mBanking Applications must be received by 12.00 noon on 15 July 2019, or such other date(s) and time(s) as the Manager may agree with the Joint Bookrunners. Internet Electronic Applications and mBanking Applications are deemed to be received when they enter the designated information system of the relevant Participating Bank.

(14) You are deemed to have irrevocably requested and authorised the Manager to:

(a) register the Public Offer Units allocated to you in the name of CDP for deposit into your Securities Account;

(b) return or refund (without interest or any share of revenue earned or other benefit arising therefrom) the application monies, should your Electronic Application be rejected or if the Offering does not proceed for any reason, by automatically crediting your bank account with your Participating Bank, with the relevant amount within 24 hours after balloting (or such shorter period as the SGX-ST may require), or within three Market Days if the Offering does not proceed for any reason, after the close or discontinuation (as the case may be) of the Offering, PROVIDED THAT the remittance in respect of such application which has been presented for payment or such other processes has been honoured and application monies received in the designated unit issue account; and

(c) return or refund (without interest or any share of revenue or other benefit arising therefrom) the balance of the application monies, should your Electronic Application be rejected or accepted in part only, by automatically crediting your bank account with your Participating Bank, at your risk, with the relevant amount within 14 Market Days after the close of the Offering, PROVIDED THAT the remittance in respect of such application which has been presented for payment or such other processes has been honoured and application monies received in the designated unit issue account.

(15) You irrevocably agree and acknowledge that your Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdown, fires, acts of God and other events beyond the control of the Participating Banks, the Manager, the Sole Financial Adviser and Issue Manager, the Joint Bookrunners, and if, in any such event the Manager, the Sole Financial Adviser and Issue Manager, the Joint Bookrunners, and/or the relevant Participating Bank do not receive your Electronic Application, or any data relating to your Electronic Application or the tape or any other devices containing such data is lost, corrupted or not otherwise accessible, whether wholly or partially for whatever reason, you shall be deemed not to have made an Electronic Application and you shall have no claim whatsoever against the Manager, the Sole Financial Adviser and Issue Manager, the Joint Bookrunners and/or the relevant Participating Bank for any Public Offer Units applied for or for any compensation, loss or damage.

(16) The existence of a trust will not be recognised. Any Electronic Application by a trustee must be made in his own name and without qualification. The Manager shall reject any application by any person acting as nominee (other than approved nominee companies).

(17) All your particulars in the records of your Participating Bank at the time you make your Electronic Application shall be deemed to be true and correct and your Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in your particulars after making your Electronic Application, you must promptly notify your Participating Bank.

(18) You should ensure that your personal particulars as recorded by both CDP and the relevant Participating Bank are correct and identical, otherwise, your Electronic Application is liable to be rejected. You should promptly inform CDP of any change in address, failing which the notification letter on successful allocation will be sent to your address last registered with CDP.

(19) By making and completing an Electronic Application, you are deemed to have agreed that:

(a) in consideration of the Manager making available the Electronic Application facility, through the Participating Banks acting as agents of the Manager, at the ATMs and Internet Banking websites of the relevant Participating Banks and the mBanking Interface of DBS Bank:

(i) your Electronic Application is irrevocable;

(ii) your Electronic Application, the acceptance by the Manager and the contract resulting therefrom under the Singapore Public Offer shall be governed by and construed in accordance with the laws of Singapore and you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts; and

(iii) you represent and agree that you are not located in the United States (within the meaning of Regulations S);

(b) none of CDP, the Manager, the Sole Financial Adviser and Issue Manager, the Joint Bookrunners and the Participating Banks shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your Electronic Application to the Manager, or CDP or the SGX-ST due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 15 above or to any cause beyond their respective controls;

(c) in respect of the Public Offer Units for which your Electronic Application has been successfully completed and not rejected, acceptance of your Electronic Application shall be constituted by written notification by or on behalf of the Manager and not otherwise, notwithstanding any payment received by or on behalf of the Manager;

(d) you will not be entitled to exercise any remedy for rescission for misrepresentation at any time after acceptance of your application;

(e) reliance is placed solely on information contained in this Prospectus and that none of the Manager, the Sponsor, the Sole Financial Adviser and Issue Manager, the Joint Bookrunners or any other person involved in the Offering shall have any liability for any information not contained therein; and

(f) you irrevocably agree and undertake to subscribe for the number of Public Offer Units applied for as stated in your Electronic Application or any smaller number of such Public Offer Units that may be allocated to you in respect of your Electronic Application. In the event the Manager decides to allocate any smaller number of such Public Offer Units or not to allocate any Public Offer Units to you, you agree to accept such decision as final.

Steps for ATM Electronic Applications for Public Offer Units through ATMs of DBS (including POSB ATMs)

Instructions for ATM Electronic Applications will appear on the ATM screens of the respective Participating Bank. For illustration purposes, the steps for making an ATM Electronic Application through a DBS Bank or POSB ATM are shown below. Certain words appearing on the screen are in abbreviated form ("A/C", "amt", "appln", "&", "I/C", "No.", "SGX" and "Max" refer to "Account", "amount", "application", "and", "NRIC", "Number", "SGX-ST" and "Maximum", respectively). Instructions for ATM Electronic Applications on the ATM screens of Participating Banks (other than DBS (including POSB)), may differ slightly from those represented below.

Step 1: Insert your personal DBS Bank or POSB ATM Card.

2: Enter your Personal Identification Number.

3: Select "MORE SERVICES".

4: Select language (for customers using multi-language card).

5: Select "ESA-IPO SHARE/INVESTMENTS".

6: Select "ELECTRONIC SECURITY APPLN (IPOS/BOND/ST-NOTES/SECURITIES)".

7: Read and understand the following statements which will appear on the screen:

- THE OFFER OF SECURITIES (OR UNITS OF SECURITIES) WILL BE MADE IN, OR ACCOMPANIED BY, A COPY OF THE PROSPECTUS/DOCUMENT OR PROFILE STATEMENT (AND IF APPLICABLE, A COPY OF THE REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/DOCUMENT OR PROFILE STATEMENT) WHICH CAN BE OBTAINED FROM ANY DBS/POSB BRANCH IN SINGAPORE AND, WHERE APPLICABLE, THE VARIOUS PARTICIPATING BANKS DURING BANKING HOURS, SUBJECT TO AVAILABILITY.

- (IN THE CASE OF SECURITIES OFFERING THAT IS SUBJECT TO A PROSPECTUS/OFFER INFORMATION/DOCUMENT REGISTERED WITH THE MONETARY AUTHORITY OF SINGAPORE) ANYONE WISHING TO ACQUIRE THESE SECURITIES (OR UNITS OF SECURITIES) SHOULD READ THE PROSPECTUS/DOCUMENT OR PROFILE STATEMENT (AS SUPPLEMENTED OR REPLACED, IF APPLICABLE) BEFORE SUBMITTING HIS APPLICATION WHICH WILL NEED TO BE MADE IN THE MANNER SET OUT IN THE PROSPECTUS/DOCUMENT OR PROFILE STATEMENT (AS SUPPLEMENTED OR REPLACED, IF APPLICABLE). A COPY OF THE PROSPECTUS/DOCUMENT OR PROFILE STATEMENT, AND IF APPLICABLE, A COPY OF THE REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/DOCUMENT OR PROFILE STATEMENT HAS BEEN LODGED WITH AND REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE WHO ASSUMES NO RESPONSIBILITY FOR ITS OR THEIR CONTENTS.

- (IN THE CASE OF SECURITIES OFFERING THAT DOES NOT REQUIRE A PROSPECTUS TO BE REGISTERED WITH THE MONETARY AUTHORITY OF SINGAPORE) THE OFFER OF SECURITIES (OR UNITS OF

SECURITIES) MAY BE MADE IN A NOTICE PUBLISHED IN A NEWSPAPER AND/OR A CIRCULAR/DOCUMENT DISTRIBUTED TO SECURITY HOLDERS. ANYONE WISHING TO ACQUIRE SUCH SECURITIES (OR UNITS OF SECURITIES) SHOULD READ THE NOTICE/CIRCULAR/ DOCUMENT BEFORE SUBMITTING THIS APPLICATION, WHICH WILL NEED TO BE MADE IN THE MANNER SET OUT IN THE NOTICE/ CIRCULAR/DOCUMENT.

PRESS THE "ENTER" KEY TO CONFIRM THAT YOU HAVE READ AND UNDERSTOOD.

8: Select "PRIME" to display details.

9: Press the "ENTER" key to acknowledge:

- YOU HAVE READ, UNDERSTOOD AND AGREED TO ALL TERMS OF THE APPLICATION AND (WHERE APPLICABLE) THE PROSPECTUS, OFFER INFORMATION STATEMENT, DOCUMENT, PROFILE STATEMENT, REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/DOCUMENT/ PROFILE STATEMENT NOTICE AND/OR CIRCULAR.

- FOR THE PURPOSES OF FACILITATING YOUR APPLICATION, YOU CONSENT TO THE BANK COLLECTING YOUR NAME, NRIC/PASSPORT NO., ADDRESS, NATIONALITY, CDP SECURITIES A/C NO., CPF INVESTMENT A/C NO., SECURITY APPLN AMOUNT, APPLICATION DETAILS AND OTHER PERSONAL DATA AND DISCLOSING THE SAME FROM OUR RECORDS TO SHARE REGISTRARS, SGX, SCCS, CDP, CPF AND THE ISSUER/VENDOR(S) AND ISSUE MANAGER(S).

- FOR FIXED AND MAX PRICE SECURITIES APPLICATION, THIS IS YOUR ONLY APPLICATION AND IT IS MADE IN YOUR OWN NAME AND AT YOUR OWN RISK.

- THE MAXIMUM PRICE FOR EACH SECURITY IS PAYABLE IN FULL ON APPLICATION AND SUBJECT TO REFUND IF THE FINAL PRICE IS LOWER.

- FOR TENDER SECURITIES APPLICATION, THIS IS YOUR ONLY APPLICATION AT THE SELECTED TENDER PRICE AND IT IS MADE IN YOUR OWN NAME AND AT YOUR OWN RISK.

- YOU ARE NOT A US PERSON AS REFERRED TO IN (WHERE APPLICABLE) THE PROSPECTUS, OFFER INFORMATION STATEMENT, DOCUMENT, PROFILE STATEMENT, REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/DOCUMENT/PROFILE STATEMENT, NOTICE AND/OR CIRCULAR.

- THERE MAY BE A LIMIT ON THE MAXIMUM NUMBER OF SECURITIES THAT YOU CAN APPLY FOR SUBJECT TO AVAILABILITY. YOU MAY BE ALLOCATED A SMALLER NUMBER OF SECURITIES THAN YOU APPLIED FOR OR (IN THE CASE OF AN EARLIER CLOSURE UPON FULL SUBSCRIPTION) YOUR APPLICATION MAY BE REJECTED IF ALL THE AVAILABLE SECURITIES HAVE BEEN FULLY ALLOCATED TO EARLIER APPLICANTS.

10: Select your nationality.

11: Select the DBS Bank account (Autosave/Current/Savings/Savings Plus) or the POSB account (Current/Savings) from which to debit your application monies.

12: Enter the number of securities you wish to apply for using cash.

13: Enter or confirm (if your CDP Securities Account number has already been stored in DBS's records) your own 12-digit CDP Securities Account number (Note: This step will be omitted automatically if your Securities Account Number has already been stored in DBS's records).

14: Check the details of your securities application, your CDP Securities Account number, number of securities and application amount on the screen and press the "ENTER" key to confirm your application.

15: Remove the Transaction Record for your reference and retention only.

Steps for Internet Electronic Application for Public Offer Units through the IB Website of DBS Bank

For illustrative purposes, the steps for making an Internet Electronic Application through the DBS IB website are shown below. Certain words appearing on the screen are in abbreviated form ("A/C", "&", "amt", "I/C" and "No." refer to "Account", "and", "Amount", "NRIC" and "Number", respectively).

Step 1: Click on DBS website (www.dbs.com).

2: Login to Internet banking.

3: Enter your User ID and PIN.

4: Enter your DBS iB Secure PIN.

5: Under "Invest" on the top navigation, select "Electronic Securities Applications (ESA)".

6: Click "Yes" to proceed and to warrant, among others, that you are currently in Singapore, you have observed and complied with all applicable laws and regulations and that your mailing address for DBS mailing address for DBS Internet Banking is in Singapore and that you are not a US person (as such term is defined in Regulation S under the United States Securities Act of 1933, amended). Click "Next" to proceed.

7: Select your country of residence and click "Next".

8: Click on "PRIME" and click "Next".

9: Click on "Next" to confirm, among others:

- You have read, understood and agreed to all terms of this application and the Prospectus/Document or Profile Statement and if applicable, the Supplementary or Replacement Prospectus/Document or Profile Statement.

- For the purposes of facilitating your application, you consent to the Bank collecting and using your name, I/C or Passport No., address, nationality, CDP Securities A/c No., CPF Investment A/c No., securities application amount application details and other personal data and disclosing the same from our records to registrars of securities, SGX, SCCS, CDP, CPF Board, the issuer/vendor(s) and issue manager(s).

- You are not a US Person (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended).

- You understand that the securities mentioned herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "US Securities Act") or the securities laws of any state of the United States and may not be offered or sold in the United States or to, or for the account or benefit of any "US person" (as defined in Regulation S under the US Securities Act) except pursuant to an exemption from or in a transaction not subject to, the registration requirements of the US Securities Act and applicable state securities laws. There will be no public offer of the securities mentioned herein in the United States. Any failure to comply with this restriction may constitute a violation of the United States securities laws.

- This application is made in your own name and at your own risk.

- For FIXED/MAX price securities application, this is your only application. For TENDER price securities application, this is your only application at the selected tender price.

- For FOREIGN CURRENCY securities, subject to the terms of the issue, please note the following: the application monies will be debited from your bank account in S$, based on the Bank's prevailing board rates at the time of application. Any refund monies will be credited in S$ based on the Bank's prevailing board rates at the time of refund. The different prevailing board rates at the time of application and the time of refund of application monies may result in either a foreign exchange profit or loss or application monies may be debited and refund credited in S$ at the same exchange rate.

- For 1ST-COME-1ST-SERVE securities, the number of securities applied for may be reduced, subject to availability at the point of application.

10: Fill in details for securities application and click "Submit".

11: Check the details of your securities application, your CDP Securities A/C No. and click "Confirm" to confirm your application.

12: Print the Confirmation Screen (optional) for your reference and retention only.

Steps for mBanking Applications for Public Offer Units through the mBanking Interface of DBS Bank

For illustrative purposes, the steps for making an mBanking Application are shown below. Certain words appearing on the screen are in abbreviated form ("A/C", "&", "amt", "I/C", "SGX" and "No." refer to "Account", "and", "Amount", "NRIC", "SGX-ST" and "Number", respectively).

Step 1: Click on DBS Bank mBanking application using your User ID and PIN.

2: Select "Investment Services".

3: Select "Electronic Securities Application".

4: Select "Yes" to proceed and to warrant, among others, that you are currently in Singapore, you have observed and complied with all applicable laws and regulations and that your mailing address for DBS Internet Banking is in Singapore and that you are not a US Person (as such term is defined in Regulation S under the United States Securities Act of 1933 as amended).

5: Select your country of residence.

6: Select "PRIME".

7: Select "Yes" to confirm, among others:

1. You have read, understood and agreed to all terms of this application and the Prospectus/Document or Profile Statement and if applicable, the Supplementary or Replacement Prospectus/Document or Profile Statement.

2. For purposes of facilitating your application, you consent to the bank collecting and using your name, I/C or Passport No., address, nationality, CDP Securities A/c No., CPF Investment A/c No., securities application amount application details and other personal data and disclosing the same from our records to registrars of securities, SGX, SCCS, CDP, CPF Board, the issuer/vendor(s) and issue manager(s).

3. You are not a US Person (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended).

4. You understand that the securities mentioned herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "US Securities Act") or the securities laws of any state of the United States and may not be offered or sold in the United States or to, or for the account or benefit of any "US person" (as defined in Regulation S under the US Securities Act) except pursuant to an exemption from or in a transaction subject to, the registration requirements of the US Securities Act and applicable state securities laws. There will be no public offer of the securities mentioned herein in the United States. Any failure to comply with this restriction may constitute a violation of the United States securities laws.

5. This application is made in your own name and at your own risk.

6. For FIXED/MAX price securities application, this is your only application. For TENDER price securities application, this is your only application at the selected tender price.

7. FOR FOREIGN CURRENCY Securities, subject to the terms of the issue, please note the following: the application monies will be debited from your bank account in S$, based on the Bank's prevailing board rates at the time of application. Any refund monies will be credited in S$ based on the Bank's prevailing board rates at the time of refund. The different prevailing board rates at the time of application and the time of refund of application monies may result in either a foreign exchange profit or loss or application monies may be debited and refund credited in S$ at the same exchange rate.

8. FOR 1ST-COME-1ST-SERVE securities, the number of securities applied for may be reduced, subject to availability at the point of application.

8: Fill in details for securities application and click "Submit".

9: Check the details of your securities application, your CDP Securities A/C No. and click "Confirm" to confirm your application.

10: Where applicable, capture Confirmation Screen (optional) for your reference and retention only.

LIST OF PRESENT AND PAST PRINCIPAL DIRECTORSHIPS OF DIRECTORS AND EXECUTIVE OFFICERS

(A) Directors of the Manager

(1) Charles J. Schreiber Jr.

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
KBS Growth & Income Investor Select Income Fund I, Inc.	KBS Real Estate Investment Trust, Inc.
KBS Growth & Income REIT, Inc.	
KBS Real Estate Investment Trust II, Inc.	
KBS Real Estate Investment Trust III, Inc.	
Koll Bren Schreiber Realty Advisors, Inc.	
The Irvine Company, Member of Board of Directors	
The Irvine Company, Member of Board of Trustees	
Obria Medical Clinics, Chairman	
Prime US-Sub REIT, Inc.	

(2) Chua Hsien Yang

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
KDCR Netherlands 1 Pte Ltd (Singapore)	Mirvac (Old Treasury) Pty Limited
KDCR Netherlands 2 Pte Ltd (Singapore)	Mirvac 8 Chifley Pty Limited
KDCR Netherlands 3 Pte Ltd (Singapore)	
KDCR Ireland Pte Ltd (Singapore)	
KDCR (Ireland) Limited (Ireland)	
KDCR Netherlands B.V. (Netherlands)	

KDCR Netherlands 3 B.V. (Netherlands)

KDCR 1 Limited (Guernsey)

KDCR 2 Limited (Guernsey)

KDCR Australia No. 1 Pty Limited (Australia)

KDCR Australia No. 2 Pty Limited (Australia)

KDCR GVP Pte Ltd (Singapore)

Greenwich View Place Limited (Guernsey)

Basis Bay Capital Management Sdn Bhd (Malaysia)

KDCR Almere B.V. (Netherlands)

KDCR Australia Pte. Ltd. (Singapore)

iseek Facilities Pty Limited (Australia)

Boxtel Investments Limited (BVI)

Keppel DC REIT Fin. Company Pte Ltd (Singapore)

KDCR UK Pte. Ltd. (Singapore)

KDCR Cardiff Limited (Guernsey)

KDCR Netherlands 4 Pte. Ltd. (Singapore)

KDCR Netherlands 4 B.V. (Netherlands)

Marlux SARL (Luxembourg)

BI71 S.R.L. (Italy)

Keppel DC REIT MTN. Company Pte. Ltd. (Singapore)

KDCR Ireland 2 Pte. Ltd. (Singapore)

KDCR Ireland Holdings Ltd (Ireland)

KDCR Ireland Fin. Company Limited (Ireland)

KDCR (Ireland) 2 Pte. Ltd. (Singapore)

Keppel DC Singapore 3 LLP (Singapore)

Keppel DC Singapore 5 Pte. Ltd. (Singapore)

(3) Tan Ser Ping

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Stanway Capital, Singapore	Ascendas Funds Management (Australia) Pty Ltd, Australia
Business China, Singapore	Ascendas Funds Management (S) Ltd, Singapore
	Ascendas Investment Pte. Ltd., Singapore
	Ascendas Land International Pte. Ltd., Singapore
	Singapore-Suzhou Township Development Pte Ltd

(4) Cheng Ai Phing

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
GIG Consulting Pte. Ltd.	Goh Boon Kok & Co.
ARA Asset Management (Fortune) Limited	Amare Investment Management Group Pte. Ltd.
Aric Partners LLP, Chartered Accountants & Public Accountants, Singapore	Deloitte & Touche LLP

(5) Professor Annie Koh

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Central Provident Fund	K1 Ventures Limited
Government Technology Agency of Singapore	
Health Management International Ltd.	
Prudential Assurance Company Singapore (Pte) Limited	

(B) Executive Officers of the Manager

(1) Barbara Cambon

<u>Current Directorships</u>	<u>Past Directorships (for a period of five years preceding the Latest Practicable Date)</u>
	Amstar Advisers
	BioMed Realty Trust
Nepal SEEDS	KBS Real Estate Investment Trust, Inc.
	KBS Real Estate Investment Trust II, Inc.[1]
	KBS Real Estate Investment Trust III, Inc.[1]

(2) Sandip Talukdar

<u>Current Directorships</u>	<u>Past Directorships (for a period of five years preceding the Latest Practicable Date)</u>
RNS Bros LLP	Standard Chartered Securities (Singapore) Pte. Limited
Prime US REIT S1 Pte. Ltd.	
Prime US REIT S2 Pte. Ltd.	
Prime US-Sub REIT, Inc.	

(3) Goo Liang Yin

<u>Current Directorships</u>	<u>Past Directorships (for a period of five years preceding the Latest Practicable Date)</u>
Pharos Services Private Limited	Nil

1 Barbara Cambon has stepped down from these directorships after the Latest Practicable Date.

PROCEDURES FOR THE SUBMISSION OF US TAX FORMS

In order for Prime US REIT to comply with FATCA, the Singapore IGA Legislation and other US withholding requirements, Unitholders that are not US Persons ("**Non-US Unitholders**") must establish their status for FATCA purposes and their eligibility for the portfolio interest exemption by providing a properly completed and duly exercised applicable IRS Form W-8 ("**Form W-8**") and the certifications below. Unitholders that are US Persons ("**US Unitholders**") must provide a properly completed and duly exercised IRS Form W-9 ("**Form W-9**" and collectively with Form W-8 and the certifications below, "**US Tax Forms**"). Boardroom Corporate & Advisory Services Pte. Ltd., the Unit Registrar of Prime US REIT, will dispatch US Tax Forms and certifications to each Unitholder that does not have valid documentation on file prior to Prime US REIT making any Distributions to Unitholders. See Note 7 below regarding validity and resubmission of US Tax Forms. US Tax Forms may also be obtained from the US Internal Revenue Service website at http://www.irs.gov.

Please read the following important notes carefully before completion of a US Tax Form and the certifications below:

(1) No US tax will be deducted or withheld from distributions made out of Prime US REIT's taxable income to Non-US Unitholders that have provided a properly completed and duly executed applicable US Tax Form and the certifications set forth below unless:

(a) the Unitholder's investment in the Units is effectively connected with its conduct of a trade or business in the United States, or

(b) the Unitholder actually or constructively holds 10% or more of all outstanding Units.

(2) For distributions made to Unitholders that have not provided proper certifications or that fall within one of the categories described in Note 1:

(a) US withholding at a rate of 30% (or lower applicable treaty rate) may be imposed on any distribution to the extent attributable to interest payments from the Parent U.S. REIT to Singapore Sub 2; and/or

(b) US withholding under FATCA at a rate 30% may be imposed on the gross amount of any "withholdable payments".

(3) If the amount of any US withholding exceeds the amount of US federal income tax owed by a Unitholder, such Unitholder generally may request a refund of such excess amount by filing a US federal income tax return (generally IRS Form 1040-NR in the case of an Unitholder that is an individual or IRS Form 1120-F in the case of a Unitholder that is taxable as a corporation) and attaching a copy of IRS Form 1042-S (provided by Prime US REIT, CDP, or a CDP depository agent, as applicable) that shows the amount of income and the amount of US tax withheld. If a Unitholder is not otherwise subject to US tax and is eligible for the US Portfolio Interest Exemption, the amount of US withholding will generally exceed the amount of US federal income tax owed by 100%, and thus the Unitholder will generally be eligible for a refund provided that the applicable withholding agent has properly deposited the withheld tax with the IRS.

The relevant forms and instructions may be found on the IRS website at http://www.irs.gov. Unitholders are encouraged to consult with their own tax advisors regarding their eligibility to file for a refund and how to do so.

(4) Non-US Unitholders should use the following chart to determine which Form W-8 to provide:

If a Non-US Unitholder is:	Then:
A natural person whose investment in Units is not effectively connected with its conduct of a trade or business in the United States	The Unitholder must provide an IRS Form W-8BEN
An entity that is disregarded as separate from a natural person for US federal income tax purposes and for which its investment in Units is not effectively connected with its or its sole-owner's conduct of a trade or business in the United States	The sole owner of the Unitholder must provide an IRS Form W-8BEN
An entity that is not a foreign intermediary for US federal income tax purposes and for which its investment in the Units is not effectively connected with its conduct of a trade or business in the United States	The Unitholder must provide an IRS Form W-8BEN-E
An entity that is disregarded as separate from an entity that is not a foreign intermediary for US federal income tax purposes and for which its investment in the Units is not effectively connected with its conduct of a trade or business in the United States	The sole owner of the Unitholder must provide an IRS Form W-8BEN-E
A foreign government, international organisation, foreign central bank of issue, foreign tax-exempt organisation, foreign private foundation, or government of a US possession that is claiming the applicability of Section(s) 115(2), 501(c), 892, 895, or 1443(b) (unless claiming treaty benefits)	The Unitholder must provide an IRS Form W-8EXP
Any person described above except that its investment in the Units is effectively connected with its conduct of a trade or business in the United States	The Unitholder (or the sole owner of the Unitholder in the case of a disregarded entity) must provide an IRS Form W-8ECI
Acting as a foreign intermediary (that is, acting not for its own account, but for the account of others as an agent, nominee, or custodian)	The Unitholder must provide an IRS Form W-8IMY that contains all applicable attachments

Unitholders that are US persons or that are entities disregarded as separate from a US person for US federal income tax purposes must provide a Form W-9.

(5) Instructions to the US Tax Forms may be obtained from Prime US REIT's website at www.primeusreit.com or from the US Internal Revenue Service website at http://www.irs.gov; submission instructions for US Tax Forms will be provided to

Unitholders by the Unit Registrar. It is the responsibility of Unitholders to return the relevant US Tax Forms to the Unit Registrar within the time stipulated by the Unit Registrar. If a Unitholder fails to return the relevant US Tax Form to the Unit Registrar or any US Tax Form previously returned by the Unitholder to the Unit Registrar has ceased to remain valid, the Trustee and Manager will be obliged to withhold tax as described in Note 2, above. The Trustee and Manager will not be obliged to assist such Unitholder from obtaining a refund for the amounts deducted or withheld by the IRS, the IRAS or other applicable tax or regulatory authorities.

(6) Prior to submitting a Form W-8 and the certifications below, please make certain that the information given and the certifications made are true and correct. Each Form W-8 must be signed under penalties of perjury.

(7) A Form W-8 will generally remain valid from the date signed until the last day of the third succeeding calendar year. For example, a form signed on 31 December 2019 will remain valid through 31 December 2022. All US Tax Forms cease to be valid upon any change in circumstance that renders a previously submitted US Tax Form inaccurate. A Unitholder must submit a new properly completed and duly executed US Tax Form if its previously submitted US Tax Form becomes invalid or if Manager or the Unit Registrar otherwise requests within the time stipulated by Manager or the Unit Registrar.

U.S. TAX COMPLIANCE CERTIFICATE

In connection with the acquisition of Units of Prime US REIT, the undersigned hereby certifies that:

(i) it is the sole record and beneficial owner of the Units in respect of which it is providing this certificate;

(ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code;

(iii) it is not a ten percent shareholder of Issuer within the meaning of Section 871(h)(3)(B) of the Code; and

(iv) it is not a controlled foreign corporation related to the Issuer as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished Prime US REIT with a certificate of its non-U.S. Person status on an applicable U.S. Internal Revenue Service Form W-8.

By: ______________________________ Date: ______________________

Name:

Title:

AIFMD DISCLOSURES

*This **Appendix J** should be read by any prospective investor domiciled, or with a registered office, in a member state of the European Economic Area ("**EEA**"). The Manager is due to offer Units that are anticipated to be marketed in certain member states of the EEA.*

*Prime US REIT will be an "alternative investment fund" ("**AIF**"), as defined in the Alternative Investment Fund Managers Directive 2011/61/EU of the European Parliament and of the European Council (the "**AIFMD**"). KBS US Prime Property Management Pte. Ltd. (the "**Manager**") is considered the "alternative investment fund manager" of Prime US REIT (the "**AIFM**"), as defined in the AIFMD.*

No.	Nature of disclosure	Disclosure
Article 23(1)(a)		
1.	Objectives of the AIF.	Prime US REIT's key objectives are to provide Unitholders with regular and stable distributions and to achieve long-term growth in distribution per Unit and net asset value per Unit, while maintaining an appropriate capital structure.
2.	Investment strategy of the AIF.	Prime US REIT is a Singapore REIT established with the principal investment strategy of investing, directly or indirectly, in stabilised income-producing office assets, and real estate related assets, in the United States.
3.	Location of any master AIF.	The master AIF of Prime US REIT is Prime US-Sub REIT, Inc., which is domiciled in the United States.
4.	Where underlying funds are established if the AIF is a fund of funds.	This is not applicable as Prime US REIT is not a fund of funds.
5.	Types of assets in which the AIF may invest.	Under its investment strategy, Prime US REIT may invest in income-producing office assets and real estate-related assets in the United States. For general statutory investment restrictions, please refer to paragraph 7 of this Appendix J.
6.	Techniques which the AIF may employ and all associated risks.	Please refer to the disclosure in paragraph 2 above for Prime US REIT's principal investment strategy and the section entitled "Risk Factors" of this Prospectus for the risks relating to the techniques which the Manager may employ. Prime US REIT has an investment policy of investing in real estate and real estate-related assets whether by way of direct ownership of real estate and real estate related assets or by way of a holding of shares, units or any other interest(s) in special purpose vehicles which are unlisted, each of whose primary purpose is to hold or own real estate and real estate related assets.
7.	Any applicable investment restrictions on the AIF.	(i) Prime US REIT is required to comply with Appendix 6 of the Code on Collective Investment Schemes (the "**Property Funds Appendix**") and the applicable provisions of the Trust Deed.

No.	Nature of disclosure	Disclosure
		(ii) Pursuant to paragraph 6.1 of the Property Funds Appendix, Prime US REIT may only invest in: (a) real estate, whether freehold or leasehold, in or outside Singapore, which may be by way of direct ownership or a shareholding in an unlisted special purpose vehicle constituted to hold or own real estate; (b) real estate-related assets, wherever the issuers / assets / securities are incorporated / located / issued / traded; (c) listed or unlisted debt securities and listed shares of, or issued, by local or foreign non-property corporations; (d) government securities (issued on behalf of the Singapore Government or governments of other countries) and securities issued by a supranational agency or a Singapore statutory board; and (e) cash and cash equivalent items. (iii) Pursuant to paragraph 7.1 of the Property Funds Appendix, Prime US REIT is required to comply with the following restrictions and requirements: (a) at least 75% of Prime US REIT's deposited property (as defined in the Property Funds Appendix) should be invested in income-producing real estate; (b) Prime US REIT should not undertake property development activities whether on its own, in a joint venture with others, or by investing in unlisted property development companies, unless Prime US REIT intends to hold the developed property upon completion. For this purpose, property development activities do not include refurbishment, retrofitting and renovations; (c) Prime US REIT should not invest in vacant land and mortgages (except for mortgage-backed securities); (d) the total contract value of property development activities undertaken and investments in uncompleted property developments should not exceed 10% of Prime US REIT's deposited property; and

No.	Nature of disclosure	Disclosure
		(e) for investments in permissible investments under sub-paragraphs (ii) (c), (d) or (e) above (except for deposits placed with eligible financial institutions and investments in high-quality money market instruments or debt securities), not more than 5% of Prime US REIT's deposited property may be invested in any one issuer's securities or any one manager's funds.
8.	Circumstances in which the AIF may use leverage.	Pursuant to paragraph 9.1 of the Property Funds Appendix, Prime US REIT may use borrowings for investment or redemption purposes. Prime US REIT may also use borrowings to fund its distributions to Unitholders. It may mortgage its assets to secure such borrowings.
9.	Types and sources of leverage permitted and associated risks.	Under Guidance Note 1 of paragraph 9.1 of the Property Funds Appendix, "borrowings" is explained to include guarantees, bonds, notes, syndicated loans, bilateral loans or other debt. Please refer to the section entitled "Risk Factors" of this Prospectus for the risks factors relating to leverage entitled "The amount Prime US REIT may borrow is limited, which may affect the operations of Prime US REIT." and "Prime US REIT may face risks associated with debt financing and the Loan Facilities and the debt covenants could limit or affect Prime US REIT's operations".
10.	Any restrictions on the use of leverage.	Pursuant to paragraph 9.2 of the Property Funds Appendix, the total borrowings and deferred payments (collectively, the "**aggregate leverage**") of Prime US REIT should not exceed 45% of Prime US REIT's deposited property.
11.	Any collateral and asset reuse arrangements.	Pursuant to paragraph 9.1 of the Property Funds Appendix, Prime US REIT may mortgage its assets to secure borrowings which are used for investment or redemption purposes. In connection with such collateral, the assets are given in security only and are appropriated to the satisfaction of payment of the borrowings by Prime US REIT to the relevant chargees / mortgagees, and not by way of transfer of title or possession of the assets to such chargees / mortgagees (as opposed to, for example, a prime broker to whom securities are pledged and who can use them for securities lending purposes).
12.	Maximum level of leverage which the AIFM is entitled to employ on behalf of the AIF.	Please refer to the disclosure in paragraph 10 above.

No.	Nature of disclosure	Disclosure
Article 23(1)(b)		
13.	Procedure by which the AIF may change its investment strategy.	Upon the expiry of three years from the public listing date of Prime US REIT, the Manager may change its investment policies for Prime US REIT so long as it has given at least 30 days' prior notice of the change to DBS Trustee Limited (in its capacity as trustee of Prime US REIT) (the "**Trustee**") and to the unitholders of Prime US REIT ("**Unitholders**") by way of an announcement to Singapore Exchange Securities Trading Limited (the "**SGX-ST**").
Article 23(1)(c)		
14.	Main legal implications of the contractual relationship entered into for the purposes of investment (including jurisdiction, applicable law and the existence or not of any legal instruments providing for the recognition and enforcement of judgements in the territory where the AIF is established).	An investor who has acquired or subscribed for units in Prime US REIT ("**Units**") shall be a Unitholder. The rights and interests of Unitholders are provided for in the Trust Deed which is governed by the laws of Singapore. The terms and conditions of the Trust Deed shall be binding on each Unitholder as if such Unitholder has been a party to the Trust Deed and as if the Trust Deed contains covenants by such Unitholder to observe and be bound by the provisions of the Trust Deed. A Unitholder has no equitable or proprietary interest in the underlying assets of Prime US REIT. A Unitholder is not entitled to the transfer to him of any asset (or any part thereof) or of any real estate, any interest in any asset and real estate-related assets (or any part thereof) of Prime US REIT. Please refer to the section entitled "The Formation and Structure of Prime US REIT" of this Prospectus. There is no single legal regime in Singapore governing the recognition and enforcement of foreign judgments in Singapore. Rather, under Singapore law, there exists common law, and statute mechanisms for the recognition and enforcement of foreign judgments in Singapore. Each of these is subject to its own procedures and qualifications and whether a judgment given in a foreign court will be enforced in Singapore must be considered in light of the relevant factors in each case, including the applicable regime, the specific jurisdiction where such judgment was given and whether the requirements for recognition and enforcement of the foreign judgment have been satisfied. The Trust Deed is available for inspection by investors and prospective investors at the registered office of the Manager for as long as Prime US REIT is in existence.
Article 23(1)(d)		
15.	The identity of the AIFM.	The Manager, KBS US Prime Property Management Pte. Ltd. was incorporated in Singapore under the Companies Act, Chapter 50 of Singapore on 26 July 2018 and as at the Latest Practicable Date has a paid-up capital of US$1,000,010. Its principal place of business is 1 Raffles Place, #40-01 One Raffles Place, Singapore 048616, and its telephone number is +65 6951 8092.

No.	Nature of disclosure	Disclosure
		The Manager will be categorised as the alternative investment fund manager (as defined in the AIFMD) and the agents appointed by the Manager will conduct the marketing of Prime US REIT in the United Kingdom in accordance with the requirements of the AIFMD.
16.	The identity of the AIF's depositary, a description of their duties and the investors' rights.	Prime US REIT's depository and clearing organisation is The Central Depository (Pte) Limited. For the avoidance of doubt, investors are expressly notified that this entity does not constitute a depositary within the meaning of the AIFMD; Prime US REIT is not obliged to appoint an AIFMD depositary and The Central Depository (Pte) Limited is not obliged to comply with the requirements of that Directive. The contact details of The Central Depository (Pte) Limited are as follows: Address : 9 North Buona Vista Drive, #01-19/20, The Metropolis Singapore 138588 Telephone No. : +65 6535 7511 Facsimile No. : +65 6535 0775
17.	The identity of the AIF's auditor, description of their duties and the investors' rights.	Prime US REIT's auditor is Ernst & Young LLP (in such capacity, the "**Reporting Auditor**"). The contact details of the Reporting Auditor are as follows: Address : One Raffles Quay, North Tower, Level 18, Singapore 048583 Telephone No. : +65 6535 7777 Facsimile No. : +65 6532 7662 The Reporting Auditor were responsible for preparing the Reporting Auditor's Report on the Profit Forecast and Profit Projection and the Reporting Auditor's Report on the Unaudited Pro Forma Consolidated Financial Information found in Appendix A and Appendix B of this Prospectus, respectively. Without prejudice to any potential right of action in tort or any potential derivative action, investors in Prime US REIT may have a cause of action against the Reporting Auditor under Section 254 of the Securities and Futures Act, Chapter 289 of Singapore, for false or misleading statements in or omissions from this Prospectus, if the investors in Prime US REIT suffer loss or damage as a result of the false or misleading statements in or omissions from this Prospectus. In the event that an investor in Prime US REIT considers that it may have a claim against the Reporting Auditor in connection with its investment in Prime US REIT, such investor should consult its own legal advisers.

No.	Nature of disclosure	Disclosure
18.	The identity of any other AIF service providers, a description of their duties and the investors' rights.	(i) The Manager, KBS US Prime Property Management Sub, LLC, a wholly-owned subsidiary of the Manager incorporated in the United States (the "**Manager US Sub**"), KBS Realty Advisors, LLC (as the U.S. Asset Manager (as defined herein)), Prime US REIT's wholly-owned US REIT subsidiary Prime US-Sub REIT, Inc. (the "**Parent U.S. REIT**") and each property-tier US REIT subsidiary of the Parent U.S. REIT (the "**Property-Tier U.S. LLCs**") and Prime US-222 Main, LLC (together with the Property-Tier U.S. LLCs, the "**Property Holding LLCs**") have entered into an outsourcing arrangement (the "**KBS Management Agreement**"). Pursuant to the KBS Management Agreement certain functions of the Parent U.S. REIT and the Property Holding LLCs, including those relating to investments, asset management, capital management, internal audit, human resources, information technology, accounting and compliance support in the U.S., have been outsourced to the U.S. Asset Manager, in each case subject to the duties and responsibilities of the respective boards of directors of the Parent U.S. REIT and the managers of the Property Holding LLCs. Under the KBS Management Agreement, the US Asset Manager will provide, among others, the following services: (a) support the execution, through the Parent U.S. REIT and the Property Holding LLCs, of Prime US REIT's investment strategy in accordance with the strategy formulated by the Manager and the guidelines issued by the Manager which include requirements relating to the location, sub-sector type and other characteristics of Prime US REIT's property portfolio. (b) Work with the Property Managers to execute, through the Parent U.S. REIT and the Property Holding LLCs, Prime US REIT's asset management strategy in accordance with the decisions made by and the strategy formulated by the Manager and the guidelines issued by the Manager which include requirements relating to the tenant mix, asset enhancement works and rationalising operation costs. Deal with the Leasing Agents to execute, through the Parent U.S. REIT and the Property Holding LLCs, Prime US REIT's leasing strategy. (c) Support the execution of debt financing plans for any debt taken up by the Parent U.S. REIT and/or the Property Holding LLCs. (d) Assist with internal and external audit processes for the Parent U.S. REIT and/or the Property Holding LLCs including internal controls over financial reporting and operational

No.	Nature of disclosure	Disclosure
		audits including property-level audits, capital expenditure audits and other operational audits. Work with business teams to identify improvement opportunities in internal controls, processes, policies and procedures. Assist to enhance or implement financial accounting system and internal controls. (e) Perform and support the formulation of policies, framework and programmes, implementation and/or administration of human resource matters relating to the, among others, training and development, succession planning and payroll services. (f) Providing support for email communication and Office 365 platform, software systems and website. (g) Prepare accounts, financial reports and annual reports, as may be required, for the Parent U.S. REIT and/or the Property Holding LLCs. (h) Make all regulatory filings on behalf of the Parent U.S. REIT and the Property Holding LLCs and assist, using its commercially reasonable best efforts, the Parent U.S. REIT and the Property Holding LLCs in complying with applicable provisions of the relevant legislation and tax laws and regulations in the United States including meeting the requirements for qualification and taxation as an U.S. REIT and all relevant contracts. (ii) The Manager, the Manager US Sub, the Parent U.S.-REIT and the Property Holding LLCs have entered into an outsourcing agreement (the "**Manager US Services Agreement**") which is a subcontract from the Manager to the Manager US Sub with respect to all of the services that are undertaken in the US and are not otherwise covered in the KBS Management Agreement and for certain additional United States services, such as strategic planning services (together, the "**Manager US Services**"). (iii) The Manager has engaged Keppel Capital International Pte. Ltd. ("**KCI**"), pursuant to outsourcing arrangements between the Manager and KCI for its human resource, information technology and compliance support in Singapore (the "**Keppel Management Agreement**"). Under the Keppel Management Agreement, KCI will provide, among others, the following services: (a) human resource advisory services to the Manager including recruitment and performance management;

No.	Nature of disclosure	Disclosure
		(b) information technology support services to the Manager including procurement of information technology equipment and regular training on information technology security awareness; and (c) making all regulatory filings to MAS on behalf of Prime US REIT, and assisting Prime US REIT in complying with the Listing Manual, the SFA, the CIS Code (including the Property Funds Appendix), the Trust Deed and associated regulations and guidelines. (iv) To the extent activities of the Manager, including under the KBS Management Agreement, would otherwise be required to be performed within the United States (and are not otherwise to be performed by the US Asset Manager), those activities will be performed by the Manager US Sub. Without prejudice to any potential right of action in tort or any potential derivative action, investors in Prime US REIT may not have a direct right of recourse against the Manager US Sub, the U.S. Asset Manager, or KCI appointed by Prime US REIT as such a right of recourse will lie with the relevant contracting counterparty rather than the investors. Further, in circumstances where an affiliate or third party delegate is appointed by the Manager or the Trustee, any contractual claim, demand or action against such delegate may, in the absence of any derivative action, be brought only by the Manager and/or the Trustee. In the event that an investor in Prime US REIT considers that it may have a claim against Prime US REIT, the Manager, Manager US Sub, the Trustee, the U.S. Asset Manager or KCI in connection with its investment in Prime US REIT, such investor should consult its own legal advisers.
Article 23(1)(e)		
19.	Description of how the AIFM complies with the requirements to cover professional liability risks (own funds / professional indemnity insurance).	The Manager is required to satisfy the base capital requirement of S$1.0 million for its regulated activity of REIT management as per the Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licences) Regulations, Chapter 289 Regulation 13 of Singapore. The issued share capital of the Manager is US$1,000,010. In addition, the Manager maintains professional indemnity insurance coverage for the liability of its directors ("**Directors**") and officers.

No.	Nature of disclosure	Disclosure
Article 23(1)(f)		
20.	Description of any delegated management function (such as portfolio management or risk management) by the AIFM to third parties, the identity of the delegate(s) and any conflicts of interest that may arise from such delegation(s).	Pursuant to the Trust Deed, the Manager may, with the written consent of the Trustee, delegate certain of its duties in performing its functions in relation to Prime US REIT, provided that the Manager shall be liable for all acts and omissions of such persons as if such acts or omissions were its own acts or omissions. As disclosed in paragraph 18 above, the Manager has outsourced the following functions: (i) property management of Prime US REIT's properties to the Property Managers; (ii) human resource, information technology and compliance support to KCI; (iii) certain operational duties of the Manager in respect of the Parent U.S. REIT and the Sub-US REITs, in each case subject to the duties and responsibilities of the Parent U.S. REIT's board of directors and the managers of the Property Holding LLCs, as applicable.; and (iv) to the extent activities of the Manager, including under the Management Agreement, would otherwise be required to be performed within the United States (and are not otherwise to be performed by the US Asset Manager), to the Manager US Sub. It is not envisaged that any conflicts of interest will arise as a result of these delegations. In any event, as disclosed in the section entitled "The Manager and Corporate Governance – Corporate Governance of the Manager – Potential Conflicts of Interest" of this Prospectus, the Manager has instituted the following procedures to deal with potential conflicts of interest issues: (a) the Manager will not manage any other REIT which invests in the same type of properties as Prime US REIT; (b) all executive officers will be working exclusively for the Manager and will not hold other executive positions in other entities, save for any wholly-owned subsidiaries of the Manager; (c) all resolutions in writing of the Directors in relation to matters concerning Prime US REIT must be approved by at least a majority of the Directors (excluding any interested Director), including at least one Independent Director; (d) at least one-third of the Board shall comprise independent directors, provided that where the (i) the Chairman of the Board and the Chief Executive Officer is the same person, (ii) the

No.	Nature of disclosure	Disclosure
		Chairman of the Board and the Chief Executive Officer are immediate family members, (iii) the Chairman of the Board is part of the management team; (iv) the Chairman of the Board is not an independent director or (v) unitholders does not have the right to appoint directors, at least half the board shall comprise independent directors; (e) in respect of matters in which a Director or his associates (as defined in the Listing Manual) has an interest, direct or indirect, such interested director will abstain from voting. In such matters, the quorum must comprise a majority of the directors and must exclude such interested director; (f) in respect of matters in which Keppel Corporation Limited and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by Keppel Capital Two Pte. Ltd. ("**KC Two**") and/or its subsidiaries to the Board to represent their interests will abstain from deliberation and voting on such matters. In such matters, the quorum must comprise a majority of the independent directors and must exclude nominee directors of the KC Two and/or its subsidiaries; (g) in respect of matters in which KBS, KBS Asia Partners Pte. Ltd. ("**KAP**") and/or their subsidiaries have an interest, direct or indirect, any nominees appointed by KAP and/or its subsidiaries to the Board to represent their interests will abstain from deliberation and voting on such matters. In such matters, the quorum must comprise a majority of the independent directors and must exclude nominee directors of the KAP and/or its subsidiaries; (h) for the avoidance of doubt, any nominees appointed by KAP and/or its subsidiaries to the Board will not abstain from deliberating and voting on any transactions in which the Keppel Corporation Limited group has an interest (e.g. transactions involving assets sold by the Keppel Corporation Limited group to Prime US REIT and agreements involving the provision of services by the Keppel Corporation Limited group to Prime US REIT) as such nominee is not related to the Keppel Corporation Limited group. Similarly, any nominees appointed by KC Two and/or its subsidiaries to the Board will not abstain from deliberating and voting on any transactions in which KBS, KAP and/or their subsidiaries have an interest (e.g. transactions involving assets sold by REITs or funds managed by KBS, KAP and/or their subsidiaries to Prime US REIT and agreements involving the provision of services by KBS, KAP and/or their subsidiaries to Prime US REIT) as such nominee is not related to KBS, KAP and/or their subsidiaries.

No.	Nature of disclosure	Disclosure
		(i) save as to resolutions relating to the removal of the Manager, the Manager and its associates are prohibited from voting or being counted as part of a quorum for any meeting of the Unitholders convened to approve any matter in which the Manager and/or any of its associates has a material interest; and (j) it is also provided in the Trust Deed that if the Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee for and on behalf of Prime US REIT with a Related Party (as defined in this Prospectus) of the Manager, the Manager shall be obliged to consult with a reputable law firm (acceptable to the Trustee) who shall provide legal advice on the matter. If the said law firm is of the opinion that the Trustee, on behalf of Prime US REIT, has a *prima facie* case against the party allegedly in breach under such agreement, the Manager shall be obliged to take appropriate action in relation to such agreement. The Directors (including the independent directors) will have a duty to ensure that the Manager so complies. Notwithstanding the foregoing, the Manager shall inform the Trustee as soon as it becomes aware of any breach of any agreement entered into by the Trustee for and on behalf of Prime US REIT with a Related Party of the Manager, and the Trustee may take such action as it deems necessary to protect the rights of the Unitholders and/or which is in the interests of the Unitholders. Any decision by the Manager not to take action against a Related Party of the Manager shall not constitute a waiver of the Trustee's right to take such action as it deems fit against such Related Party. The Manager has established an internal control system to ensure that all future Related Party Transactions will be undertaken on normal commercial terms and will not be prejudicial to the interests of Prime US REIT and the Unitholders.
21.	Description of any safe-keeping function delegated by the AIF's depositary, the identity of the delegate(s) and any conflicts of interest that may arise from such delegation(s).	This is not applicable as Prime US REIT is not obliged to appoint a depositary within the meaning of the AIFMD.

No.	Nature of disclosure	Disclosure
Article 23(1)(g)		
22.	Description of the AIF's valuation procedure.	Paragraph 8.1 of the Property Funds Appendix requires Prime US REIT to conduct a full valuation of its real estate assets at least once per financial year, in accordance with any applicable code of practice for such valuations. Generally, where the Manager proposes to issue new Units (except in the case where new Units are being issued in payment of the Manager's management fees) or to redeem existing Units, a valuation of the real properties held by Prime US REIT must be carried out in accordance with the Property Funds Appendix. The Manager or the Trustee may at any other time arrange for the valuation of any of the real properties held by Prime US REIT if it is of the opinion that it is in the best interest of Unitholders to do so. Prime US REIT engages independent professional valuers with the appropriate professional qualifications and experience in the location and category of the real estate assets being valued.
23.	Description of the AIF's pricing methodology for valuing assets (including the methods used in valuing hard-to-value assets).	Prime US REIT's real estate assets are stated at fair value, with changes in fair values being recognised in the Statement of Total Return. The Prime US REIT group engages independent professional valuers with the appropriate professional qualifications and experience in the location and category of the real estate assets being valued to determine the fair value of its real estate assets. The fair value of the Prime US REIT group's real estate assets (including those held through its associates and joint ventures) is determined by independent real estate valuation experts using approved valuation methodologies. In determining the fair value of Prime US REIT's real estate assets, the valuers have used valuation methods which involve estimates and discount rates applicable to those real estate assets.
Article 23(1)(h)		
24.	Description of the AIF's liquidity risk management (including redemption rights in normal and exceptional circumstances and existing redemption arrangements with investors).	Prime US REIT's cash flow position and working capital are to be monitored closely to ensure that there are adequate liquid reserves in terms of cash and credit facilities to meet its short-term obligations. Steps have been taken to plan early for funding and expense requirements so as to manage the cash position at any point in time. For so long as the Units are listed and traded on the SGX-ST, the Unitholders have no right to request the Manager to repurchase or redeem their Units. Unitholders may only deal in their listed Units through trading on the SGX-ST. Please refer to the section entitled "The Formation and Structure of Prime US REIT – Trust Deed – Repurchase and Redemption of Units" of this Prospectus.

No.	Nature of disclosure	Disclosure
Article 23(1)(i)		
25.	Description of all fees, charges and expenses and of the maximum amounts thereof which are directly or indirectly borne by investors.	Please refer to the section entitled "Overview – Certain Fees and Charges" of the Prospectus.
Article 23(1)(j)		
26.	Description of how the AIFM ensures a fair treatment of investors and details of any preferential treatment received by investors (including where the right to obtain preferential treatment exists, a description of that preferential treatment, the type of investors who obtain such preferential treatment and, where relevant, their legal or economic links with the AIF or AIFM).	No unfair or preferential treatment is afforded to any Unitholder. Under the Trust Deed, every Unit carries the same voting rights. Prime US REIT has only issued one class of Units, and as a result will treat all Unitholders equally.
Article 23(1)(k)		
27.	The latest annual report prepared for the AIF (to include, at a minimum: i) a balance sheet or statement of assets and liabilities; ii) any income and expenditure report for the financial year; iii) a report on the activities of the financial year; iv) any material changes in Article 23 disclosures during the financial year covered by the report;	This is not applicable as Prime US REIT has yet to issue its first annual report.

No.	Nature of disclosure	Disclosure
	v) the total amount of remuneration for the financial year, split into fixed and variable remuneration, paid by the AIFM to its staff, and number of beneficiaries, and, where relevant, carried interest paid by the AIF; and vi) the aggregate amount of remuneration broken down by senior management and members of staff of the AIFM whose actions have a material impact on the risk profile of the AIF).	
Article 23(1)(l)		
28.	The procedure and conditions for the issue and sale of units or shares.	Pursuant to the Trust Deed, the Manager shall have the exclusive right to effect for the account of Prime US REIT the issuance of Units. The issuance of any Units by the Manager must be in compliance with the Listing Manual and the Trust Deed, which sets out the approvals required from Unitholders and the restrictions on the price of the Units to be issued. For so long as the Units are listed and traded on the SGX-ST, the Unitholders have no right to request the Manager to repurchase or redeem their Units. Unitholders may only deal in their listed Units through trading on the SGX-ST. Please refer to the sections entitled "The Formation and Structure of Prime US REIT – The Trust Deed – Issue of Units" and "The Formation and Structure of Prime US REIT – The Trust Deed – Suspension of Issue of Units" of this Prospectus.

No.	Nature of disclosure	Disclosure
Article 23(1)(m)		
29.	The latest net asset value of the AIF or the latest market price of the unit or share of the AIF, calculated in accordance with the law of the country where the AIF is established[1] and/or the AIE rules or instruments of incorporation.	The net asset value of each Unit on the Listing Date is US$0.84. Upon the listing of Prime US REIT, its unit price will be publicly available from the SGX-ST website, Prime US REIT's website and from financial information vendors.
Article 23(1)(n)		
30.	Details of the historical performance of the AIF (where available).	The unaudited pro forma consolidated financial information of Prime US REIT for the year ended 31 December 2016, the year ended 31 December 2017 and the year ended 31 December 2018 can be found in the section entitled "Unaudited Pro Forma Consolidated Financial Information" of this Prospectus.
Article 23(1)(o)		
31.	The identity of the prime broker.	This is not applicable.
32.	Description of any material arrangements of the AIF with its prime brokers and the way the conflicts of interest in relation thereto are managed.	This is not applicable.
33.	Details of the provision in the contract with the AIF's depositary on the possibility of transfer and reuse of AIF assets.	This is not applicable.
34.	Information about any transfer of liability to the prime broker that may exist.	This is not applicable.

[1] The valuation must either be performed by an external valuer (being a legal or natural person independent from the AIF, AIFM and any other persons with close links to the AIF or AIFM) or the AIFM itself, provided that the valuation is functionally independent from the portfolio management and the remuneration policy and other measures ensure that conflicts of interest are mitigated and that undue influence upon the employees is prevented. If an external valuer performs the valuation, the AIFM must be able to demonstrate that the external valuer is subject to mandatory professional registration, that they can provide sufficient professional guarantees that they can carry out the valuation, and that the appointment is justified on objective grounds.

No.	Nature of disclosure	Disclosure
Article 23(1)(p)		
35.	Details of how and when the AIFM will provide reports on the following topics to its investors in relation to each EU AIF that it manages and each AIF that it markets within the EU: i) the percentage of the AIF's assets which are subject to special arrangements arising from their illiquid nature; ii) any new arrangements for managing the liquidity of the AIF; and iii) the current risk profile of the AIF and the risk management systems employed by the AIFM to manage those risks.	The Manager will make the relevant announcement via SGXNET in the event that there is material information on these topics to be disclosed in accordance with the prevailing listing rules of the SGX-ST. The announcement will be publicly available to all investors.
36.	Details of how and when the AIFM (when managing EU AIFs employing leverage or marketing in the EU AIFs employing leverage) will disclose, for each AIF, on a regular basis: i) any changes to the maximum level of leverage which the AIFM may employ on behalf of the AIF as well as any right of the reuse of collateral or any guarantee granted under the leveraging arrangement; and ii) the total amount of leverage employed by that AIF.	The Manager will make periodic disclosures about Prime US REIT's aggregate leverage during its quarterly financial reporting, and such information will be made available to investors via the announcements released on SGXNET or the published annual report. Please refer to the disclosure in paragraph 10 above on the permitted maximum level of leverage as stated in the Property Funds Appendix. Any changes to the Property Funds Appendix (as far as maximum level of leverage is concerned) may be communicated by way of publication of notices on the MAS website which can be found at http://www.mas.gov.sg/.

PRIME US REIT

MANAGER
KBS US Prime Property Management Pte. Ltd.
1 Raffles Place
#40-01 One Raffles Place
Singapore 048616

SPONSOR
KBS Asia Partners Pte. Ltd.
9 Raffles Place
#26-01 Republic Plaza
Singapore 048619

SOLE FINANCIAL ADVISER AND ISSUE MANAGER
DBS Bank Ltd.
12 Marina Boulevard Level 46
DBS Asia Central @
Marina Bay Financial Centre Tower 3
Singapore 018982

JOINT GLOBAL COORDINATORS

DBS Bank Ltd.
12 Marina Boulevard Level 46
DBS Asia Central @
Marina Bay Financial Centre Tower 3
Singapore 018982

Merrill Lynch (Singapore) Pte. Ltd.
50 Collyer Quay, #14-01
OUE Bayfront
Singapore 049321

JOINT BOOKRUNNERS AND UNDERWRITERS

DBS Bank Ltd.	**Merrill Lynch (Singapore) Pte. Ltd.**	**China International Capital Corporation (Singapore) Pte. Limited**	**Credit Suisse (Singapore) Limited**	**Maybank Kim Eng Securities Pte. Ltd.**	**Oversea-Chinese Banking Corporation Limited**
12 Marina Boulevard Level 46 DBS Asia Central @ Marina Bay Financial Centre Tower 3 Singapore 018982	50 Collyer Quay, #14-01 OUE Bayfront Singapore 049321	6 Battery Road, #33-01, Singapore 049909	One Raffles Link #03/#04-01 South Lobby Singapore 039393	50 North Canal Road, #03-01 Singapore 059304	63 Chulia Street #10-00 Singapore 049514

TRUSTEE
DBS Trustee Limited
12 Marina Boulevard, Marina Bay Financial Centre Tower 3,
Singapore 018982

LEGAL ADVISERS
Legal Adviser to the Offering, and to the Manager
Allen & Gledhill LLP
One Marina Boulevard #28-00
Singapore 018989

Legal Adviser to the Offering as to U.S. Law
DLA Piper LLP (US)
4141 Parkdale Avenue
Suite 300
Raleigh, NC 27612

Legal Adviser to the Manager as to U.S. Law
Greenberg Traurig, LLP
3161 Michelson Drive
Suite 1000
Irvine, CA 92612

Legal Adviser to the Sole Financial Adviser and Issue Manager and the Joint Bookrunners and Underwriters
Clifford Chance Pte. Ltd.
12 Marina Boulevard #25-00
Marina Bay Financial Centre, Tower 3
Singapore 018982

Legal Adviser to the Trustee
Shook Lin & Bok LLP
1 Robinson Road
#18-00 AIA Tower
Singapore 048542

REPORTING AUDITOR
Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583

INDEPENDENT SINGAPORE TAX ADVISER
Allen & Gledhill LLP
One Marina Boulevard #28-00
Singapore 018989

INDEPENDENT U.S. TAX ADVISER
DLA Piper LLP (US)
IDS Center
80 South Eighth Street
Suite 2800
Minneapolis, MN 55402

UNIT REGISTRAR AND UNIT TRANSFER OFFICE
Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place, #32-01
Singapore Land Tower
Singapore 048623

INDEPENDENT VALUERS

Cushman & Wakefield Western, Inc.
225 W Wacker
3000
Chicago, IL 60606
United States

JLL Valuation & Advisory Services, LLC
5 Riverway #200,
Houston, TX 77056
United States

INDEPENDENT MARKET RESEARCH CONSULTANT
Cushman & Wakefield Western, Inc.
225 W Wacker
3000
Chicago, IL 60606
United States

PRIME US REIT

KBS US PRIME PROPERTY MANAGEMENT PTE. LTD.
1 Raffles Place
#40-01 One Raffles Place
Singapore 048616
Tel: +65 6951 8090