

WRIGHT RUNSTAD & COMPANY

The Spring District's Block 16 Office Space Project Commences Construction

*Wright Runstad, Shorenstein and J. P. Morgan Global Alternatives
Announce Partnership and Closing of \$107.5 Million Construction Loan*

BELLEVUE, WA May 22, 2018 – Wright Runstad & Company (“Wright Runstad”), Shorenstein Properties (“Shorenstein”) and institutional investors advised by J.P. Morgan Asset Management (“J.P. Morgan”) today announced the formation of a joint venture partnership and closing of \$107.5 million in construction financing for the development of Block 16 office space in The Spring District. Construction of the project, expected to be ready for initial tenant improvement work in July of 2019, has commenced with tenant occupancy scheduled for early January 2020.

The project will be the latest addition to The Spring District, which is quickly becoming the region’s most significant pedestrian and transit-oriented development. Bringing together sophisticated architecture, urban planning and green design, the neighborhood offers a unique tenant experience that is already home to the University of Washington’s Global Innovation Exchange, which opened in 2017, as well as 309 residential units and many public open spaces. By late 2019, The Spring District will have nearly 800 apartment units completed, with a light rail station scheduled to open for service in 2023 and the future headquarters of Recreational Equipment, Inc. (REI) set to open in mid-2020.

“We’re kicking off the Block 16 project on a speculative basis in order to meet the strong need for office space throughout the region and on the Eastside in particular,” said Greg Johnson, President of Wright Runstad & Company. “With vacancies near record lows and few other projects in a position to deliver space in the next 24 months, The Spring District’s Block 16 is well positioned to meet the demand for high quality office space.”

“Having partnered with Wright Runstad for more than a decade, we are well on our way to establishing The Spring District as a leading example of a sustainable community that provides a true balance of live, work and play,” said Shorenstein’s Andrew Friedman, Managing Director. “With a number of individual development projects set to be completed within the next five years, this recapitalization for Block 16 will be a key next step in the process of developing an exceptional mixed-use neighborhood in The Spring District.”

The Block 16 project will be 11 stories tall and contain 316,000 square feet of office space. Large floor plates, high ceilings and expansive glass will make Block 16 an attractive environment for a broad range of creative, high tech and service companies. The project will also contain 13,000 square feet of retail space, which will become part of The Spring District’s walkable neighborhood retail experience. Companies that locate their offices in Block 16 will enjoy direct transit access, including the building’s 1,000 car parking capacity and convenient connection to the future regional trail on the Eastside Rail Corridor - offering employees a variety of commuting options.

The project’s office listing broker, The Broderick Group, is already seeing strong interest from several potential tenants.

The \$107.5 million construction loan is being provided by New York Life Insurance Company. Wright Runstad & Company is the project’s developer. The building was designed by NBBJ and Turner is the general contractor. More information about the project and The Spring District can be found at www.thespringdistrict.com.

About Wright Runstad & Company

Seattle-based Wright Runstad & Company develops, acquires, manages and leases high-quality commercial office and mixed use buildings located primarily in the Pacific Northwest. The company is in its fifth decade as one of the region's premier real estate development and operating companies, delivering outstanding property performance and superior investment returns. Wright Runstad & Company maintains an exceptional reputation among tenants and institutional investors for its demonstrated commitment to integrity and high levels of quality and service. For additional information visit: www.wrightrunstad.com

About Shorenstein Properties

Founded in 1924, Shorenstein Properties LLC is a privately-owned, real estate firm that owns and manages high-quality office properties across the country, with offices in San Francisco and New York. Since 1992, Shorenstein has sponsored eleven closed-end investment funds with total equity commitments of \$7.9 billion, of which Shorenstein committed \$648.5 million. The firm uses its integrated investment and operating capabilities to take advantage of opportunities that, at the particular time in the investment cycle, offer the most attractive risk-adjusted returns. Investments have included ground-up developments, asset repositioning and stabilized assets; investment structures have included asset acquisitions, mezzanine loans, preferred equity investments and structured joint ventures. These funds have invested in properties totaling 64.8 million square feet in transactions with a gross investment value in excess of \$15.2 billion. For additional information visit: <https://shorenstein.com/>

About J.P. Morgan Global Alternatives

J.P. Morgan Global Alternatives is the alternative investment arm of J.P. Morgan Asset Management. With more than \$130 billion in assets under management and over 800 professionals (as of March 31, 2018), we offer strategies across the alternative investment spectrum including real estate, private equity and credit, infrastructure, transportation, liquid alternatives, and hedge funds. Operating from 23 offices throughout the Americas, Europe and Asia Pacific, our independent alternative investment engines combine specialist knowledge and singular focus with the global reach, vast resources and powerful infrastructure of J.P. Morgan to help meet each client's specific objectives. For more information: www.jpmorganassetmanagement.com.

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