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Vulcan Real Estate Enters Phoenix, Arizona Market with Purchase of Tempe Gateway Office Building

SEATTLE – June 17, 2010 – Vulcan Real Estate, the real estate investment arm of Paul G. Allen’s Vulcan Inc., today announced that it has expanded its holdings with the acquisition of a new office building in Tempe, AZ, representing the company’s first investment purchase outside the Seattle market.

“This signals a major milestone for Vulcan Real Estate. While we remain very committed to our development activities in Seattle, we also see exciting new opportunities to diversify into other metropolitan areas, including Phoenix and Southern California,” said Ada M. Healey, vice president of real estate at Vulcan Inc. “The Phoenix-area real estate market is poised for a recovery, and now is a good time to buy quality buildings in desirable locations, which have been discounted relative to replacement costs.”

Tempe Mayor Hugh Hallman said that Vulcan’s investment in Tempe validates his belief that not only is the economy recovering, but Tempe is positioned to take advantage of the new market. “I am delighted that a company with the reputation and holdings of Vulcan is investing in our community. This sale makes it possible for us to begin seeing new business activity in this building, which connects Mill Avenue with Tempe Town Lake. We are looking forward to a good working relationship with Vulcan.”

As part of Vulcan Real Estate’s efforts to diversify its assets, the company is exploring a variety of commercial and residential product types that best complement its existing portfolio. Vulcan is exploring opportunities in metropolitan markets expected to rebound from the recession more quickly than other areas, including Phoenix and Southern California with proximity to major employment centers and transit hubs as well as job and population growth.

Tempe Gateway Office Building Offers Prime Location, Amenities

Completed in 2009 and developed by Opus West, the eight-story, 260,000-square-foot Class A office building is located in the heart of downtown Tempe, a transit-oriented community characterized by a variety of housing, office and retail services. The Tempe Gateway building offers an amenity-rich location with a light rail stop outside the project, situated next door to the Tempe Town Lake, surrounded by restaurants and shopping as well as in close proximity to Arizona State University.

Vulcan purchased the Tempe Gateway building for \$35 million from the project's lender. CBRE brokers for the deal include Jim Fijan, Jerry Roberts and Corey Hawley. Vulcan is also working with CBRE to lease the vacant Tempe Gateway building and is in discussions with several prospective tenants.

The building includes ground floor retail space surrounding the main lobby and a newly constructed parking structure with 1,035 spaces. The project also features 30,000-square-foot floor plates optimal for a range of tenants and their diverse space needs.

The Tempe Gateway building is designed and constructed as an environmentally-friendly development. The project is certified under the Green Globes rating program, an assessment and rating tool operated by the Green Building Initiative to evaluate and rate the energy and environmental design of buildings.

"While the Tempe area is a new market for us, we find that it shares many of the same appealing qualities as Seattle's South Lake Union neighborhood. They both offer a 24-7 lifestyle that is increasingly in demand today, with direct access to homes, jobs, restaurants, shopping and public transit options," Healey added. "As the new owner of the Tempe Gateway building, we're looking forward to working in Tempe and with the Phoenix-area brokerage community."

Located adjacent to Phoenix and five minutes from the Phoenix Sky Harbor Airport, Tempe is home to Arizona State University and has the state's highest per capita rate of technology companies. Tempe employs 175,000 people and draws nearly four million tourists annually. Downtown Tempe features more than 100 restaurants, shops, nightclubs and entertainment venues. For more information about Tempe, go to www.tempe.gov/business or www.downtowntempe.com.

Vulcan Continues Development Momentum in South Lake Union

Vulcan continues to lead one of the largest urban revitalization efforts in the country through the redevelopment of nearly 60 acres it owns in Seattle's South Lake Union neighborhood. Vulcan's growing real estate portfolio comprises over \$2 billion in assets, including 3.7 million SF of Class A office space; 600,000 SF of life sciences research space; 400,000 SF of street-level retail amenities; 600 rental apartments and nearly 500 condominium homes. By 2013, Vulcan expects to have completed nearly five million SF of development, or nearly half of its potential development in South Lake Union.

About Vulcan Real Estate

Seattle-based Vulcan Real Estate directs all real estate activities for Vulcan Inc., a Paul G. Allen company. Allen co-founded Microsoft and today, along with his varied business interests, is one of the country's top philanthropists. Vulcan Real Estate's experienced, talented team of professionals offers a full range of development services from site selection to build-to-suit construction. Its real estate model is based on quality, sustainable development that builds new value across the entire community. Vulcan has delivered more than 3.2 million square feet in 17 new office, biotech, residential and mixed-use projects in South Lake Union. The company has nearly 1 million square feet currently under construction. For more information, visit www.vulcanrealestate.com or call (206) 342-2000.

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