

What is CUBE'S Plan?

- What are your size needs:
 - 6 months from now
 - 3 years from now
 - 5+ years from now
- Locations: Single V. Multiple
- Allocation of Funds: Cash reserves

Options

•Lease Additional Space

Pros:

- Will temporarily alleviate the space constriction
- Can be done quickly

Cons:

- Only a temporary fix.
- Does not result in CABE building equity in an asset (Sunk Cost).

Comments:

- This is only recommended if CABE's requirement is fast or time/location flexibility is required.

•Purchase Additional Space and Lease 16033 to a Tenant

Pros:

- Keep 16033 San Bernardino Road as an asset.
- Receive supplemental income from a tenant.

Cons:

- Upfront cost of \$5-\$7 per square foot + vacancy period should be considered.
- Management Responsibility.

Comments:

- If CABE intends on using this building as a second office again in the future, this choice can offer flexibility.

•Sell 16033 and Purchase a Larger Building

Pros:

- Equity is maintained in a new asset.
- A bigger building can facilitate all current space needs and future growth.

Cons:

- Does not enable CABE to have two offices, if future need requires it.

Comments:

- This option fits best for an expansion plan and allows CABE to keep its equity through a 1031 exchange.

How to Move Forward

1. Decision maker is critical.
2. Prepare to create your perfect building.
3. Be prepared to act quickly.