

**CREATING VALUE FOR INVESTORS**  
**ADVANCED PROPERTY MANAGEMENT BY SHIMIZU DEVELOPMENT INC.**

Scriptwriter: Richard Bellikoff

<b>VIDEO</b>	<b>AUDIO</b>
Shots of One America Plaza & Seville property managers in offices	<u>NARRATOR (V.O.):</u> Shimizu Development owns and manages commercial property, using advanced property management concepts to create value for owners and investors.
Split screen, exterior beauty shots of One America Plaza, Scottsdale Seville	Two properties showcase Shimizu's highly developed management skills and versatility. Each property is unique, and requires specialized management capabilities and expertise.
Various shots of Seville: beautiful outdoor courtyard with fountain, pool, tree lighting, ambience of dining at Roy's.	Scottsdale Seville is an elegantly appointed Class A office and retail property with high-end specialty shops surrounding a beautiful water fountain. This property is located in the heart of the retail center, near some of Arizona's world-class golf resorts and hotels. It attracts both tourists and businesses, as well as local residents.
Arizona sunset, frontage of center featuring architectural details of facade & "Seville" signage	
Various exterior/interior shots of One America Plaza	One America Plaza is San Diego, California's premier landmark office tower. With 570,000 feet of class A+ office space, it's home to several nationally recognized firms, and is unquestionably the most prestigious business address in San Diego.

Split screen, exterior/interior shots of One America Plaza, Scottsdale Seville

Shimizu Development has a strong track record in applying its advanced property management capabilities to these two properties.

But what exactly is Shimizu's concept of advanced property management?

Graphics: "Advanced Property Management" in screen center, with spokes connecting it to "Leasing & Marketing," "Budget & Cash Flow Management," "Owner Reporting," "Liability & Risk Management," "Tenant Relations & Retention," "Technology & Community"

Advanced property management can be defined as an array of skills designed to maintain and enhance property value with managed cash flow. In this sense, Shimizu considers its property managers to be "cash flow engineers."

Box shape (representing building): higher Net Operating Income (NOI) equals higher asset value, lower NOI equals lower value

Graphics: Pyramid shape, with "**Liability & Risk Management**" on bottom, "**People**" and "**Presentation Skills**" in middle, and "**Property Value**" at pinnacle

Shimizu has achieved excellence in property management by applying the concept of PPPL: A thorough knowledge of liability and risk management -- a team of dedicated and professional people -- and highly developed presentation skills -- all contribute to the ultimate goal of maintaining or increasing property value for the owner. Let's examine this concept and see how Shimizu property managers put it into practice.

(MUSIC FOR TRANSITION TO LIABILITY SEGMENT)

Graphics: Pyramid, "**Liability & Risk Management**" expands

Liability and risk management involves several long-range economic planning functions.

CUs, newspaper headlines on the changing economy from local business papers & Wall Street Journal

Liability management starts with a thorough knowledge of both local and national economic conditions that could affect the value of the managed property. Such knowledge allows for the development of creative solutions to problems. By anticipating economic changes, the Shimizu property manager can prepare appropriate countermeasures.

CUs, Wall Street Journal article about troubled dot-com companies.

Suppose, for example, there is a national downturn in the telecommunications industry. If your managed property has Internet and telephone carriers either as service providers or tenants, lost revenues could lower property value.

Barbara at Seville

BARBARA: In this situation, property management would need to be pro-active, to avoid or mitigate losses from failed tenants.

CUs, San Diego Daily Transcript articles about utility deregulation.

NARRATOR (V.O.): Another example would be the passage of utility deregulatory legislation.

CU, graph of increasing utility costs

Marie at One America Plaza

MARIE: A sharp rise in utility rates could lower property value by decreasing net operating income. In this case, property management might consider appealing for property tax reduction if asset value drops, in order to improve cash flow.

One America Plaza building engineer tours central plant and electrical room, demonstrating installation of variable frequency drives to chillers

CU, graphs of energy savings (from TOBY kit)

Seville management performs a site safety walk. She points to lights needing repair, uneven sidewalk or some similar hazard requiring correction. Cones & caution tape replace brick pavers.

Larrie at Seville

Intercut with shots of maintenance crews at One America Plaza & Seville, and members of public entering and exiting both properties

Montage of CUs, One America Plaza tenant thank you letters for coordination of life safety evacuation during blackout, with key points highlighted

News footage from Channel 10 report during blackout

Graphics: Pyramid, **“People”** expands

NARRATOR (V.O.): In anticipation of just such a situation, Shimizu advanced property management at One America Plaza has installed variable frequency drives on its cooling towers and centrifugal chillers. This capital improvement has produced a marked reduction in electrical consumption.

Physical risk management involves maintaining a safe and hazard-free property, with appropriate attention to types and amounts of insurance coverages.

LARRIE: All properties have public access. This mandates careful attention to safety. Areas must be kept clean and free of debris. Awnings and other overhead structures must be maintained. Concrete areas must be inspected for trip hazards. The desired outcome is fewer incidents that require insurance intervention -- which translates to lower insurance premiums and improved cash flow.

Shimizu management at One America Plaza has developed state-of-the-art safety evacuation procedures to deal with all eventualities.

(MUSIC UP FOR TRANSITION TO “PEOPLE” SEGMENT)

One America Plaza staff meeting, including Building Manager, Chief Engineer, Security Chief, Parking Manager, Building Concierge and Project Administrator

Seville manager in meeting, instructing vendors on site maintenance issues: Chris Pullen, Chemical Services (servicing cooling towers), Arizona Elevator, Casey's Pest Control, Somerlight (inspecting palm tree lights), Pro-Guard Security, Commercial Property Management (maintenance), Jerry Goodman, Division Nine Contracting (suite 185, water leak), Laura Spielman with Core Jackson (engineer)

Barbara at Seville

Soundbites: Seville tenant testimonials

Intercut shots of stores: Ap'ropo Fashions, By Word of Mouth, The Cove, Barrier's, Roy's Restaurant, exteriors of In Celebration of Golf, Garlic's Pasta & Bread Co.

NARRATOR (V.O.): Shimizu's motivated and experienced management team works behind the scenes to coordinate day-to-day activities at both properties.

Managed outsourcing is a very important part of advanced property management, At both Scottsdale Seville and One America Plaza, the property management team maintains flexibility by outsourcing many vendor functions, using their highly developed skills to manage the vendors' duties. The management-intensive nature of retail operations also presents unique challenges for property managers at Scottsdale Seville.

BARBARA: *(To be shot, describes intensive tenant relations skills required for retail tenant management compared to office tenant management. To stay ahead of competition in the market, retail requires more timely attention to details and aesthetic issues [e.g. signage, painting]).*

SEVILLE TENANT TESTIMONIALS: *(To be shot: Jon Iacona, Garlic's Pasta & Bread Co.; Lisa Daversa, Destiny's Bride; Kim Simbro, Ap'ropo Fashions)*

CUs, screen shots, One America Plaza web site, My Building, Community, Marketplace pages

NARRATOR (V.O.): Strong tenant relations are vital to the success of advanced property management. At One America Plaza, a comprehensive web site delivers a full spectrum of services to tenants' desktops. "My Building" gives tenants information on key building services. "Community" provides local restaurant information and directions to local destinations. "Marketplace" includes links to shipping, travel, shopping, and business sites.

CUs, One America Plaza tenant survey comment

Tenant satisfaction surveys are sent to One America Plaza tenants every year, as part of tenant relations. The goal is to obtain information for the management team on areas that need improvement.

Montage, CUs of tenant survey comments, highlighting a few of the most memorable ones

(MUSIC UP FOR MONTAGE)

One America Plaza tenant testimonials

ONE AMERICA PLAZA TENANT TESTIMONIALS: (*To be shot*)

LFHS in 26th floor conference room

Montage, CUs of One America Plaza tenant thank you notes (similar to those in TOBY kit), highlighting such items as: finding management staff to be knowledgeable, responsive, helpful, and courteous -- running a well-functioning, clean and efficient building -- best building in San Diego -- best-managed building tenant has ever occupied - - a great place to work -- outstanding services -- keeping tenants informed before and during rolling blackouts

(MUSIC UP FOR MONTAGE)

Continental Homes conference room, Seville leasing marketing meeting with broker and happy prospective tenant closing a deal. Happy faces, hearty handshake.

CU, Seville 2-fold on table with Seville lease

Graphics: Pyramid, with **“Presentation Skills”** expanding

Graphics: **Presentation to Owner**

One America Plaza owner meeting. SF explains to MG the owner's goals and strategic investment objectives

MG presents monthly reporting package to SF, GA & RB

CUs, screen shots of software in operation

CUs, YARDI & DYNA, cover pages from user's manuals

NARRATOR (V.O.): Shimizu advanced property management outsources marketing and brokerage services for tenant leasing.

Shimizu works closely with these brokers to maximize rental income by leasing to quality tenants at or above market rates.

(MUSIC UP FOR TRANSITION TO “PRESENTATION SKILLS” SEGMENT)

NARRATOR (V.O.): The Shimizu property manager is responsible for presenting an annual plan, budget and budget reforecast, along with reporting on marketing efforts, building issues and cash flow status. Updated reports on the status of all items are prepared for monthly presentation to the owner. The emphasis is on the quality rather than quantity of information.

To prepare these reports and others, Shimizu advanced property management uses both industry-standard and customized software.

For more refined forecasting, a custom program using DYNA, specialized portfolio management software, is under development. Other custom software systems are used to coordinate after-hours building access for tenants and building security. This allows accurate tracking of utility usage for precise billing to tenants -- a bonus for the owner.

Graphics: **Presentation to Tenants**

(MUSIC UP FOR GRAPHIC TITLE)

Continental Homes conference room, Seville marketing & p.r. meeting, Barbara & marketing consultant (Christine Franck) discuss preparation of event brochures, advertisement & event organization

CUs, print ads for Seville retail events

CUs, pages from One America Plaza's ViewPoint newsletter

NARRATOR (V.O.): At Scottsdale Seville, Shimizu advanced property management takes responsibility for enhancing commerce for retail tenants, by organizing promotional events advertised for the benefit of all retail merchants.

One America Plaza publishes ViewPoint, a quarterly newsletter. Featured in this publication are tenant events and special recognition for tenant and personnel achievements. Also published in ViewPoint are announcements of community events and activities for the enjoyment of tenants.

Graphics: **Presentation to the Community**

(MUSIC UP FOR GRAPHIC TITLE)

CUs, invitations & thank you notes for other community events: Blood Drive, YMCA, etc. (see TOBY kit)

NARRATOR (V.O.): The properties Shimizu manages are not just in the community, they're part of the community. Shimizu advanced property management has made a strong commitment by sponsoring many community-oriented events.

Existing video footage and/or stills of One America Plaza Cystic Fibrosis Stair Climb

One example is the annual Cystic Fibrosis Stair Climb at One America Plaza. Every year, One America Plaza opens its stairwells for participants to climb as many times as they can. Management also contributes meeting space for event planning, building staff volunteers, and free parking for all participants. Annual contributions raised for this worthy cause exceed \$25,000.

Graphics: **Presentation to Industry Peers**

(MUSIC UP FOR GRAPHIC TITLE)

Montage, CUs, BOMA, judges' scorecards for One America Plaza as Office Building of the Year

NARRATOR (V.O.): One America Plaza has won the Office Building of the Year “TOBY” award from the local chapter of the Building Owners and Managers Association. The TOBY award is the most prestigious award of its kind in the commercial real estate industry, recognizing quality in office buildings and excellence in building management. One America Plaza has also been named one of the top eight buildings in the U.S. for its size category in the international TOBY competition.

Graphics:

**The Office Building of the Year**

Letters fly out to form: **TOBY**

(MUSIC UP FOR TRANSITION TO CLOSING SEQUENCE)

Graphics: Pyramid with each level lighting up in sync with narration: “**Liability & Risk Management”** on bottom, “**People”** and “**Presentation Skills”** in middle, and finally “**Property Value”** at pinnacle

Montage of shots previously seen in video, with Shimizu property managers performing various functions

NARRATOR (V.O.): The PPPL concept has proven to be a sound basis for advanced property management. At Shimizu Development, property managers possess a clear understanding of liability and risk management techniques --

-- along with high-level presentation skills --

-- and a team of highly motivated and professional people.

The result is the maintenance and improvement of property value.

Shimizu advanced property management has developed strong expertise, supported by highly developed concepts and procedures.

The techniques described in this video are field-proven to be successful, and they provide a strong foundation for presenting the Shimizu advanced property management concepts to other property owners and investors who can benefit from the value they create.

S. Fujisawa addresses viewers

S. FUJISAWA: “Shimizu made a strategic decision to take over property management at the Scottsdale Seville. Because it was an experimental project for us then, we went through extensive planning and preparation before we actually took over from the third party property manager. Thanks to the focused efforts of our people, the transition went very smoothly, and the successful years at Seville have led to our assignment at One America Plaza. I believe property management is about managing value, and I think experience means a great deal in this business.”

Close with attractive montage of various shots of Shimizu property management team at work

(MUSIC UP FOR CLOSING MONTAGE)