



FOR VENTURE CAPITAL-FUNDED COMPANIES

The **VC Tenant Connect** is the place in Silicon Valley for Investors and Entrepreneurs & Tenants to **Identify, Trade, and Lease** Commercial Space. Our Team can **Optimize Your Current Situation, Help You Scale Up, Down, or Simply Relocate.**

We are attuned to the needs of startups, and have grown with many of the valley's leading technology, social media and life sciences companies.

# THE PROBLEM



- Most Companies don't plan for growth in Advance
- Most Companies are not properly aligned with the right space
- Real Estate is one of the most Overlooked Operating Expenses (OPEX)
- Companies Real Estate needs are in a constant state of flux
- Many Companies have Excess or Underutilized Real Estate
- Shadow Space – Not Marketed
  - 400 Million Square Feet of Office/R&D Space from
    - San Francisco to San Jose
    - 37 Million Square Feet Available for Lease/Sublease
    - Estimated that 20% of Companies throughout the Bay Area have Excess or Underutilized Space not being Marketed (Shadow Space)

- **Phase I – New Requirement**
  - Meet with Key Management/VC’ s to determine Space Needs
  - Align Business Plan with Lease/Facility
  - Tour/ Site Selection/ Create Competitive Proposal / Negotiation Process
  - Coordination of Project, Construction and Move Management
- **Phase II - Analysis of Existing Lease**
  - Operating Expenses (OPEX )
  - Physical Space Efficiency
  - Current Market Rents and Comparables
- **Phase III – Action Plan**
  - Post New Listing or Requirement on VC Tenant Connect
  - Email Blast to Notify all VC Members / Tenants
  - Reduction of OPEX
  - CAM Audit
  - Energy Audit
  - Tax Assessment
  - Space Consolidation – Posting on [www.vctenantconnect.com](http://www.vctenantconnect.com)
  - Renegotiate with Landlord – “Blend & Extend”

## START-UP & GROWTH ORIENTED COMPANY



Having worked with Tom and Lori Sweeney for over twenty years, I must say they never cease to amaze me with their constant hands on approach to the entire life cycle of a commercial move. Every step is made easier by their contribution and intervention, with the client's interest being their first priority. Their thorough knowledge and experience are invaluable to handle both the landlord concerns and the client needs. Never an easy process, but I wouldn't want to work with anyone else for any size move. It's not about the commission to Tom and Lori, it's about a trusted relationship.

*Alice Harmon*  
Vice President  
Human Resources Administration

### Analysis:

- Lease Expiration in 6-12 Months
- Out Growing Facility
- Creative Social Media Group looking to be close to Amenities and Cal Train
- Budget Conscious
- Rapid Growth Anticipated

### Action Plan:

- Met with Key Management to determine space needs (Projection Analysis)
- Aligned Business Plan with Lease/ Facility
- Post Requirement of VCTC
- Negotiated new Lease with Free Rent, Phase In and Tenant Improvement Package
- Subleased Excess Space allowing for Future Growth
- Coordination of Project, Construction & Move Management

## OPERATING EXPENSE REDUCTION



**“The OPEX Team was not only there to manage our initial real estate process...they were there to help when we needed them to get our OPEX expenses reduced after the deal was closed...”**

*Bruce Fram, CEO*  
GridIron Systems

### Analysis:

- Operating costs were higher than the original estimate.
- Expenses seemed excessive and above market

### Action Plan:

- Determine that operating expenses were high.
- Provided documentation of original estimated expenses.
- Contacted Landlord to challenge actual expenses
- Expenses reduced to better align with original estimate.

## SPACE CONSOLIDATION



**“Coming to us as a referral from one of our venture investors, the OPEX Swat Team has consistently exceeded our high expectations. Regardless of deal size, they have approached several projects with passion and commitment.”**

*Mark Novakovich,*  
*VP Finance*  
**CONTROL 4**

### Analysis:

- Control 4 is a venture funded start-up that recently signed a lease to expand into the Silicon Valley area.
- Market turned negative and company wanted to consolidate and possibly sublease space.

### Action Plan:

- Met with Control 4 to determine space needs.
- Provided complete market survey of availabilities and comparables.
- Determined best to sublease space.
- Recommended market rent and provided marketing material for space.
- Placed space on market and posted space on vctradingpost.com. VC's were notified through an e-mail blast.

## LEASE RE-WRITE / BLEND & EXTEND



**“Lori and Tom are cognizant of the nuances of this unique real estate market and through their business acumen were able to leverage their knowledge to create great results Aruba Networks.”**

*Steffan Tomlinson, CFO*  
ARUBA Networks

### Analysis:

- 12-18 months remaining on existing leases. Two building complex (150,000 Sq. Ft.)
- Above market rents
- Growth Needs/Image
- Blend & Extend/Reconfigure / TI Package

### Action Plan:

- Worked with key executive to determine space needs.
- Provided market survey of comps and availabilities.
- Determined TI's
- Negotiated with Landlord to reduce current lease obligation by over \$1,000,000 and provided TI package of \$750,000. Extend over a long term with free rent and aggressive new market rents.



## SUBLEASE SPACE: COMPANY SOLD/CLOSING DOWN



**“Lori, Tom, and Derek are a great team. They really went the extra mile(s) to make our deal happen. Not only were they accessible and responsive, but they were also thorough in running the numbers and willing to take the lead in negotiations that promised to be complex and frustrating. They really changed my perception of what a commercial real estate broker could do for a business.”**

*Katherine Noesen,  
Operations Manager  
SpikeSource*

### Analysis:

- Spike Source is a venture funded start-up that recently sold all of it’s intellectual properties and will shut down operations
- 2 year lease obligation. Current rent more than market rent
- Space had been marketed for sublease by landlords/broker for approximately 6 months

### Action Plan:

- Met with board to determine best exit strategy
- Provided analysis of market rents, trends and financial obligation
- Determined the optimal asking rent
- Created a marketing agenda/brochure and posted space on vctradingpost.com
- VC’s were notified of space, as well as local companies, creating a competitive situation
- Space subleased within 30 days

## SUBLEASE CORPORATE HQ SPACE: CONSOLIDATE & RELOCATE MULTIPLE FACILITIES TO LESS EXPENSIVE BUILDING/MARKET



**“Tom Sweeney did a phenomenal job for us at Verigy. The team stepped into a very complex situation and managed it very successfully. This involved a sublease of our HQ site (100,000 Sq. Ft.) and relocation to a comparable facility at below market rents. To make matters more difficult, in the middle of the deal, we got involved in an acquisition transaction where we were being acquired by a Japanese company (Advantest). Tom and team were able to manage all the additional complexities that resulted from the transaction. They were very data driven, responsive and easy to work with. In the end, it was a very big win for Verigy!”**

**Jorge Titingo, CEO and President  
Verigy Inc.**

### Analysis:

- Analyzed current lease and determined that 5 year lease was below market and landlord’s right to terminate in the event of sublease was removed
- Provided complete analysis of move costs, potential sublease profits, occupancy costs, construction costs, GAAP and after tax analysis and consolidation costs
- Created competitive disposition and acquisition strategy

### Action Plan:

- Assembled a complete team to work with executive group to head complex project
- Created competitive disposition and acquisition strategy
- Determined that it was cost effective to sublease corporate HQ site and consolidated facilities and move to new HQ site
- Successfully subleased facility eliminating approx. \$15 million in rent/expense obligation as well as profiting over \$1.2 million
- Successfully acquired new facility at below market rents with TI allowance potentially saving Verigy/Advantest almost \$10 million



## **THOMAS SWEENEY**

**Senior Vice President**

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[tsweeney@ccareynkf.com](mailto:tsweeney@ccareynkf.com)

LIC #00989779

- **25-year Veteran in Commercial Real Estate, Sales and Leasing, Finance and Investments**
- **One of the top producers in the office for the past 18 years**
- **Specializes in the Sales and Leasing of Office, R&D and Industrial Properties.**
- **Represents Fortune 500, Venture Funded Start-up Companies and Institutional Landlords.**
- **Majority of his clients are existing relationships and referral business.**
- **Leased or Sold over 3.5 Million Square Feet.**



## **LORI SWEENEY**

**Senior Vice President**

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LIC #01204105

- **19 years of Experience in Real Estate, including**
- **Sales and Leasing, Finance, Management and Investment**
- **One of the top producers in the office for the past 10 years**
- **Specializing in the Leasing of Office, R&D, Industrial, and other Commercial Properties.**
- **Represents Fortune 500, Venture Funded Start-up Companies**
- **Over 95% of her business is existing client relationships and referral business**
- **Leased over 2 Million Square Feet**



## **DEREK YEP**

Senior Associate  
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LIC #01476099

- 5 + years experience in Commercial Real Estate, including sales and Leasing.
- Specializing in the Leasing of Office, R&D, and Industrial Properties in Silicon Valley.
- Completed over 130 transactions with Venture Funded Start-ups to Established Public Companies.
- Majority of his clients are existing relationship and referral business.
- Member of the Association of Silicon Valley Brokers (ASVB).



## SEAN WHITNEY

Associate

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LIC #01903566

- Specializing in representing technology and professional service tenants in both their regional and national lease needs
- Provides a strategic, competitive approach with client needs at the top of his priority list
- Excels in lowering operating expense costs, auditing lease documents, and providing detailed financial analysis to best illustrate vital points in a lease transaction to clients

# TESTIMONIALS



*“Foundation Capital has been working with Lori Sweeney and Tom Sweeney for the past six years. In that time, they have done an incredible job finding appropriate properties for many of our portfolio companies – some of them multiple times as they’ve grown. Lori and Tom have saved these young firms a great deal of money and aggravation by representing their interests professionally and helping them manage their complete real estate strategy.”*

**Adam Grosser**  
General Partner



*“Lori and Tom differentiate themselves from the other brokers in the market through their perseverance and uncompromising pursuit of obtaining the best deal for their clients. Moreover, they are cognizant of the nuances of this unique real estate market and through their business acumen were able to leverage their knowledge to create great results for Peribit and Aruba Networks.”*

**Steffan Tomlinson**  
CFO



*“Lori and Tom are terrific professionals to partner with for commercial real-estate. I’ve worked with them on a number of deals as they offer sound advice and have a very firm understanding of what are the most important elements to structuring a successful deal between landlord and tenant. I have, and will continue to recommend Lori and Tom to many of my business associates”.*

**Conrad Burke**  
President & CEO



*“Lori and Tom exceeded all of my expectations and were able to get us a deal over and above what I could have imagined.”*

**Fred Patton**  
CFO



*“Lori is a kick-ass commercial real estate agent who can secure cost-effective space for any of our companies.”*

**Jeb Miller**  
General Partner



# TESTIMONIALS



*“Lori and Tom located a lease property for our high tech start-up business in Silicon Valley. Lori and Tom were absolutely professional from start to finish and provided service and produced results that greatly exceeded our expectations. Lori and Tom saved us a lot of time by filtering properties, then negotiated excellent lease terms, and worked to resolve minor problems with the property after the lease closed. I highly recommend Lori and Tom as the best agents I have ever worked with.”*

**John Busch**  
President and CEO



*“I have had the opportunity to work with Lori and Tom Sweeney on two different occasions. They are an outstanding realty team. They quickly develop a clear understanding of the client’s needs, work relentlessly to find a building that meets those needs and then negotiate to obtain the best deal once the property is found. They know the market and they know what is available. The results are significantly reduced burden and pain for management, and locating the right premises in a minimum amount of time.”*

**Art Goldberg**  
President and CEO



*“Our company is fortunate to have worked Lori and Tom on several successful projects. She came to us as a referral from one of our venture investors and has consistently exceeded our high expectations. We were new to the market and Lori’s significant knowledge of the area helped us select a value-priced, ideal location for a new office. Regardless of deal size, Lori has approached each project with passion and commitment.”*

**Mark Novakovich**  
VP Finance



*“The difference between agent and partner is the difference that Lori and Tom bring to commercial real estate. Their goal is my goal; they understand my company’s needs and pursue our objective aggressively in the market while still maintaining patience regarding the ultimate transaction. They never lose sight of the long view – maximizing our potential, minimizing our exposure, and nurturing our business relationship.”*

**Kelly Herrell**  
CEO





# TESTIMONIALS



*"Lori was instrumental in helping us find a location for our company when we were time constrained. She helped us with the entire process from finding the space, sealing the deal and moving in. I'd definitely recommend her!"*

**Allan Leinwand**  
Venture Partner



*"I've been working with Tom for over 12 years now, and none of the deals he has found has gotten me fired yet."*

**Jon Bode**  
CFO



*"Lori and Tom are a great team. They really went the extra mile(s) to make our deal happen. Not only were they accessible and responsive, but they were also thorough in running the numbers and willing to take the lead in negotiations that promised to be complex and frustrating. They really changed my perception of what a commercial real estate broker could do for a business."*

**Katherine Noesen**  
General Manager



*"Lori always puts the client's interests first, and is very willing to go the extra mile. Lori went as far as meeting me for a drink when I was on vacation!"*

**Jon Bohane**  
VP Finance



# TESTIMONIALS



*“Tom Sweeney did a phenomenal job for us at Verigy. The team stepped into a very complex situation and managed it very successfully. This involved a sublease of our HQ site (100,000 Sq. Ft.) and relocation to a comparable facility at below market rents. To make matters more difficult, in the middle of the deal, we got involved in an acquisition transaction where we were being acquired by a Japanese company (Advantest). Tom and team were able to manage all the additional complexities that resulted from the transaction. They were very data driven, responsive and easy to work with. In the end, it was a very big win for Verigy!”*

**Jorge Titinger**  
CEO and President



*“LS and her firm scored a ‘10’ for Teros and Untangle under difficult time constraints and even more difficult landlord issues. They’re help and guidance allowed us to land a A+ space at a great price!”*

**Bob Walters**  
CEO



*In addition to having key contacts and being very knowledgeable of the local market, Tom Sweeney has proven to us to be an extremely competent and helpful problem solver. After we suffered for years under an onerous lease, Tom was able to negotiate another tenant into our space, and he secured a much better lease in a building that was more appropriate for our situation. This was the most impressive added value that I have seen from a Realtor, and I would wholeheartedly recommend Tom Sweeney for your commercial real estate needs.*

**Bruce Bastl**  
President and CEO



# TESTIMONIALS



*“We had the pleasure of working with Derek to find an office space that met our location, size, and budget goals. Derek educated us and gave us a thorough evaluation of the market. In the end we got the office we wanted with a very good lease. Thanks Derek!”*

**M. Wong**  
General Manager



*“Derek helped us find an ideal location and also negotiated more favorable terms on a lease extension. He is excellent with follow up and has the ability to work with both tenants and leasing companies to find a fair deal for all involved. I can highly recommend Derek.”*

**Ken**



*“Derek was diligent and responsive in finding several spaces for us to review and his patience with our specific needs paid off! We appreciated the professional experience and for Derek securing us an excellent rate on the Lease. Thanks again for a job well done!”*

**Ron Habit**  
President



*“Derek was very patient in working with us to understand our business real estate needs & showing us solutions that met the requirements. He did not push us towards any deal we did not want & eventually helped us find suitable office space at a great rate. I would recommend Derek for any business real estate transaction & certainly use him for our next move”*

**Manish Vaidya**  
CEO



## ABOUT VC TENANT CONNECT

- What is the purpose of the site?
  - This site was created to connect VC's and Funded Companies to help manage their real estate needs on a secure managed site.
- Why use this site?
  - To assist VC Funded Companies with their Real Estate. This site covers shared spaces, short term flex spaces and potential trading of spaces. "SHADOW SPACE". Also, this site can assist you in how to properly align your company with the right space.
- What are the costs?
  - Posting needs and wants is free. Standard sublease fees apply if a transaction occurs.
- Will all VC's, Portfolio Companies, and Tenants have access to the site?
  - Yes.
- Who coordinates and handles the real estate transaction?
  - Tom and Lori Sweeney with the C&C VC Tenant Connect Team.

# START-UP ~ EXISTING COMPANIES



- Meet with key management to determine needs assessment / space projection analysis
- Align business plan with lease/facility
- Tour/ Site Selection/ Create Competitive Proposal / Negotiation Process
- Financial analysis and review including GAAP & Cash
- Review of Physical Efficiencies
- Coordination of Project, Construction and Move Management
- Demographics of Current and Targeted New Hires
- Cornish & Carey Commercial Newmark Knight Frank is one of the largest Independent Real Estate Firms in the world. Our global platform offers unparalleled access to professionals operating in more than 200 offices operating throughout North America, Europe, Asia-Pacific, Latin America, Africa & the Middle East



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