

For Immediate Release

January 25, 2016

Contact: Jeff Hoover, BergDavis Public Affairs

jhoover@bergdavis.com, 415.788.1000 x 200

Pacific Eagle Announces Largest Office Lease in Walnut Creek's Shadelands Market in Five Years

City Hall Initiative Pays Dividends with Major New Tenant and Amenities

Walnut Creek, CA -- Pacific Eagle Holdings is pleased to announce Stearns Lending, LLC has agreed to lease more than 17,000 square feet at its office building located at 2700 Ygnacio Valley Road, in Walnut Creek's Shadelands office market. The deal represents the largest new office tenant to move into the Shadelands - an office submarket in Walnut Creek - in the last five years. 2700 Ygnacio is a premier office destination and one of only two Class A office buildings in the area.

The historic boom of the Bay Area economy is proving to be a factor in the emergence of submarkets like the Shadelands. Property owners are able to provide rents at a relative bargain compared to downtown Oakland or Walnut Creek while relying on a new express shuttle to the Pleasant Hill BART stop and anticipated amenities designed to attract new tenants.

Mike Simons, Executive Vice President at Pacific Eagle Holdings who was tasked with overseeing the agreement said, "Pacific Eagle is continually looking for innovative opportunities to set its properties apart from competitors and to attract and retain the most dynamic and diverse set of tenants. The deal with Stearns is a successful example of this strategy." Simons added, "We are pleased Stearns Lending has chosen to move to 2700 Ygnacio Valley Road. The lease is not only significant for Pacific Eagle, but for the Shadelands office market and Walnut Creek."

Stearns Lending, LLC which is a leading provider of mortgage lending services and was one of the fastest growing private companies in the United States in 2013 and 2014, will relocate its sixty-five Bay Area employees to 2700 Ygnacio from Concord in February 2016. Together with fellow flagship tenants Carollo Engineers and PG&E, Stearns' presence further reinforces the growing revitalization spreading across the area. The deal comes at an exciting time for the Shadelands, as a new shopping center called "The Orchards at Walnut Creek" is expected to open in the fall of 2016 and will add to the vitality driven by the resurgent office market.

The increase in activity around the Shadelands is welcome news for the City of Walnut Creek. Improving the business climate was a priority for the area as it emerged from the 2008-2009 recession which saw a 30% office vacancy rate at its depth. For several years, the City Council worked with property owners, local businesses and the Chamber of Commerce to form a Property Based Improvement District. Owners have formally organized the 240 acre mixed-use business park to pursue common interests around advocacy, safety, transportation, and marketing. The benefits of this partnership are

now taking hold and are exemplified by innovative changes like indoor recreational re-uses of obsolete buildings and the collaborative expansion of zoning to broaden the Park's diversity while simultaneously simplifying the processes for new businesses. The Shadelands' renovation is fully underway and will benefit Stearns' customers and employees by providing new amenities throughout the Park.

Ken Nordhoff, Walnut Creek City Manager, praised the deal, saying "Stearns Lending's relocation to the Shadelands cements Walnut Creek's status as a premier destination for leading employers. This deal highlights how important top-tier office buildings like 2700 Ygnacio Valley Road are to attracting new jobs and stimulating economic activity. The City of Walnut Creek was thrilled to learn of Stearns' decision and appreciates the hard work of Pacific Eagle and Transwestern that made this deal possible."

The Shadelands market is a unique piece of the Walnut Creek and East Bay office landscape. Ed Del Beccaro, Managing Director of Transwestern's Walnut Creek office, who has been active in local real estate for years, was impressed at the scope of the agreement and what it can mean for the Shadelands' future. He noted, "The Shadelands Business Park and greater Walnut Creek are poised to attract office tenants in engineering, financial, tech, and manufacturing as exemplified by Stearns Lending's relocation from Concord to 2700 Ygnacio Valley Road." Added Del Beccaro, "With the addition of The Orchards and improved BART access, the park will have the premier amenities it needs to continue attracting new tenants."

The magnitude of the deal was possible thanks to the team involved, including Josh Nelson, broker for Stearns Lending, Scott Ellis, broker for Pacific Eagle, and Adriana Leleu, Leasing Manager for Pacific Eagle.

##

About Pacific Eagle

Pacific Eagle Holdings Corporation is a highly skilled real estate investor with deep experience in development, property, and asset management. The company operates a vertically integrated real estate business, having owned and operated its own commercial real estate properties since its inception. Leveraging its broad-based network, the company acts as fiduciary managing investments in real estate assets on behalf of third parties.