

BLUE MARTINI SOFTWARE INC

Form 8-K

May 11, 2005

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**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, D.C. 20549**

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**FORM 8-K**

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**CURRENT REPORT**

**PURSUANT TO SECTION 13 OR 15(d) OF THE**

**SECURITIES EXCHANGE ACT OF 1934**

**May 10, 2005**

**DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED)**

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**BLUE MARTINI SOFTWARE, INC.**

**(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)**

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**DELAWARE**  
**(STATE OR OTHER JURISDICTION**  
  
**OF INCORPORATION)**

**0-30925**  
**(COMMISSION FILE NUMBER)**

**94-3319751**  
**(I.R.S. EMPLOYER**  
  
**IDENTIFICATION NO.)**

**2600 Campus Drive**

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San Mateo, California 94403

(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES, INCLUDING ZIP CODE)

(650) 356-4000

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE

(FORMER NAME OR FORMER ADDRESS IF CHANGED SINCE LAST REPORT)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 7.01. Regulation FD Disclosure.**

On May 10, 2005, Blue Martini Software, Inc., a Delaware corporation ( Blue Martini ) held a special meeting of its stockholders. The following sets forth a summary of the proposal that was voted upon and the results of the voting at such special meeting:

Adoption of the Agreement and Plan of Merger, dated as of February 28, 2005, among Multi-Channel Holdings, Inc., BMS Merger Corporation, a wholly-owned subsidiary of Multi-Channel Holdings, Inc., and Blue Martini, as it may be amended from time to time (the merger agreement ).

<u>Votes in Favor</u>	<u>Votes Against</u>	<u>Abstentions</u>	<u>Broker Non Votes</u>
7,914,137	41,969	2,979	

Based on these voting results, the merger agreement was adopted.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**BLUE MARTINI SOFTWARE, INC.**

Dated: May 10, 2005

By: /s/ Eran Pilovsky

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Eran Pilovsky  
*Chief Financial Officer*

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#CCEEFF;padding:0pt;">

192

Amounts reclassified from accumulated other comprehensive loss

1,661

(1)

Net current-period other comprehensive gain

1,853

Balance at December 31, 2016

(1,850)

Balance at December 31, 2017

\$

3

(1) See note 10 for additional information about the effects of the amounts reclassified.

## 10. RISK MANAGEMENT AND USE OF FINANCIAL INSTRUMENTS

The Company's use of derivative instruments is limited to the utilization of interest rate swap agreements or other instruments to manage interest rate risk exposures and not for speculative purposes. The principal objective of such arrangements is to minimize the risks and/or costs associated with the Company's operating and financial structure, as well as to hedge specific transactions. The counterparties to these arrangements are major financial institutions with which the Company and its subsidiaries may also have other financial relationships. The Company is potentially exposed to credit loss in the event of non-performance by these counterparties. However, because of the high credit ratings of the counterparties, the Company does not anticipate that any of the counterparties will fail to meet these obligations as they come due. The Company does not hedge credit or property value market risks.

The Company has entered into interest rate swap agreements that qualify and are designated as cash flow hedges designed to reduce the impact of interest rate changes on its variable rate debt. Therefore, the interest rate swaps are recorded in the consolidated balance sheet at fair value, and the related gains or losses are deferred in shareholders' equity as accumulated other comprehensive loss. These deferred gains and losses are amortized into interest expense during the period or periods in which the related interest payments affect earnings. However, to the extent that the interest rate swaps are not perfectly effective in offsetting the change in value of the interest payments being hedged, the ineffective portion of these contracts is recognized in earnings immediately.

The Company formally assesses, both at inception of a hedge and on an on-going basis, whether each derivative is highly-effective in offsetting changes in cash flows of the hedged item. If management determines that a derivative is highly-effective as a hedge, then the Company accounts for the derivative using hedge accounting, pursuant to which gains or losses inherent in the derivative do not impact the Company's results of operations. If management determines that a derivative is not highly-effective as a hedge or if a derivative ceases to be a highly-effective hedge, the Company will discontinue hedge accounting prospectively and will reflect in its statement of operations realized and unrealized gains and losses in respect of the derivative.

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The following table summarizes the terms and fair values of the Company's derivative financial instruments as of December 31, 2017 and 2016 (in thousands):

Hedge Product	Hedge Type (1)	Notional Amount			Effective Date	Maturity	Fair Value	
		December 31, 2017	December 31, 2016	Rate			December 31, 2017	December 31, 2016
Swap	Cash flow	\$ —	\$ 75,000	1.3360%	12/30/2011	3/31/2017	\$ —	\$ (103)
Swap	Cash flow	—	50,000	1.3360%	12/30/2011	3/31/2017	—	(69)
Swap	Cash flow	—	50,000	1.3360%	12/30/2011	3/31/2017	—	(69)
Swap	Cash flow	—	25,000	1.3375%	12/30/2011	3/31/2017	—	(34)
Swap	Cash flow	40,000	40,000	2.4590%	6/20/2011	6/20/2018	(161)	(797)
Swap	Cash flow	40,000	40,000	2.4725%	6/20/2011	6/20/2018	(163)	(804)
Swap	Cash flow	20,000	20,000	2.4750%	6/20/2011	6/20/2018	(82)	(404)
		\$ 100,000	\$ 300,000				\$ (406)	\$ (2,280)

(1) Hedging unsecured variable rate debt by fixing 30-day LIBOR.

The Company measures its derivative instruments at fair value and records them in the balance sheet as either an asset or liability. As of December 31, 2017 and 2016, all derivative instruments were included in Accounts payable, accrued expenses, and other liabilities in the accompanying consolidated balance sheets. The effective portions of changes in the fair value of the derivatives are reported in accumulated other comprehensive income (loss). Amounts reported in accumulated other comprehensive income (loss) related to derivatives will be reclassified to interest expense as interest payments are made on the Company's variable-rate debt. The change in unrealized losses on interest rate swaps reflects a reclassification of \$1.7 million of unrealized losses from accumulated other comprehensive loss as an increase to interest expense during 2017. The Company estimates that \$0.4 million will be reclassified as an increase to interest expense in 2018.

## 11. FAIR VALUE MEASUREMENTS

The Company applies the methods of determining fair value, as described in authoritative guidance, to value its financial assets and liabilities. As defined in the guidance, fair value is based on the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, the guidance establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable prices that are based on inputs not quoted on active markets, but corroborated by market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs, to the extent possible, as well as considering counterparty credit risk in its assessment of fair value.

Financial assets and liabilities carried at fair value as of December 31, 2017 are classified in the table below in one of the three categories described above (dollars in thousands):

	Level 1	Level 2	Level 3
Interest rate swap derivative liabilities	\$ —	\$ 406	\$ —
Total liabilities at fair value	\$ —	\$ 406	\$ —

Financial assets and liabilities carried at fair value as of December 31, 2016 are classified in the table below in one of the three categories described above (dollars in thousands):

	Level 1	Level 2	Level 3
Interest rate swap derivative liabilities	\$ —	\$ 2,280	\$ —
Total liabilities at fair value	\$ —	\$ 2,280	\$ —

Financial assets and liabilities carried at fair value were classified as Level 2 inputs. For financial liabilities that utilize Level 2 inputs, the Company utilizes both direct and indirect observable price quotes, including LIBOR yield curves, bank price quotes for forward starting swaps, NYMEX futures pricing, and common stock price quotes. Below is a summary of valuation techniques for Level 2 financial liabilities:

- Interest rate swap derivative assets and liabilities — valued using LIBOR yield curves at the reporting date. Counterparties to these contracts are most often highly rated financial institutions, none of which experienced any significant downgrades in 2017 that would reduce the amount owed by the Company. Although the Company has determined that the majority of the inputs used to value its derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with the Company's derivatives utilize Level 3 inputs, such as estimates of current credit spreads, to evaluate the likelihood of default by the Company and the counterparties. However, as of December 31, 2017, the Company has assessed the significance of the effect



of the credit valuation adjustments on the overall valuation of its derivative positions and has determined that the credit valuation adjustments are not significant to the overall valuation of its derivatives. As a result, the Company has determined that its derivative valuations in their entirety are classified in Level 2 of the fair value hierarchy.

The fair values of financial instruments, including cash and cash equivalents, accounts receivable and accounts payable approximate their respective carrying values as of December 31, 2017 and 2016. The aggregate carrying value of the Company's debt was \$1.6 billion as of December 31, 2017 and 2016. The estimated fair value of the Company's debt was \$1.7 billion and \$1.6 billion as of December 31, 2017 and 2016, respectively. These estimates were based on a discounted cash flow analysis assuming market interest rates for comparable obligations as of December 31, 2017 and 2016. The Company estimates the fair value of its fixed rate debt and the credit spreads over variable market rates on its variable rate debt by discounting the future cash flows of each instrument at estimated market rates or credit spreads consistent with the maturity of the debt obligation with similar credit policies, which is classified within level 2 of the fair value hierarchy. Rates and credit spreads take into consideration general market conditions and maturity.

## 12. NONCONTROLLING INTERESTS

### Interests in Consolidated Real Estate Joint Ventures

Noncontrolling interests in subsidiaries represent the ownership interests of third parties in the Company's consolidated real estate ventures. The Company has determined that these ventures are variable interest entities, and that the Company is the primary beneficiary. Accordingly, the Company consolidates the assets, liabilities, and results of operations of the real estate ventures in the table below (dollars in thousands):

	Number		Date Opened / Estimated Opening	CubeSmart Ownership Interest	December 31, 2017 Total Assets	Total Liabilities
Development Ventures	of Stores	Location				
CS 1158 McDonald Ave, LLC ("McDonald Ave") (1)	1	Brooklyn, NY	Q3 2019 (est.)	51%	\$ 18,472	\$ 2,429
CS SJM E 92nd Street, LLC ("92nd St") (3)	1	New York, NY	Q2 2019 (est.)	90%	1,366	1,096
CS 160 East 22nd St, LLC ("22nd St") (1)	1	Bayonne, NJ	Q1 2019 (est.)	51%	5,533	3,382
2225 46th St, LLC ("46th St") (1)	1	Queens, NY	Q4 2018 (est.)	51%	27,130	9,551
	1			90%	5,981	704

CS SDP Waltham, LLC ("Waltham") (3)		Waltham, MA	Q4 2018 (est.)			
2880 Exterior St, LLC ("Exterior St") (1)	1	Bronx, NY	Q3 2018 (est.)	51%	62,763	31,575
3068 Cropsey Avenue, LLC ("Cropsey Ave") (1)	1	Brooklyn, NY	Q4 2017	51%	47,952	22,189
444 55th Street Holdings, LLC ("55th St") (2)	1	New York, NY	Q3 2017	90%	82,216	33,858
186 Jamaica Avenue, LLC ("Jamaica Ave") (3)	1	Brooklyn, NY	Q4 2015	90%	18,478	13,289
Shirlington Rd, LLC ("SRLLC") (3)	1	Arlington, VA	Q2 2015	90%	16,320	12,819
	10				\$ 286,211	\$ 130,892

- (1) The noncontrolling members of McDonald Ave, 22nd St, 46th St, Exterior St, and Cropsey Ave have the option to put their ownership interest in the ventures to the Company for \$10.0 million, \$11.5 million, \$14.2 million, \$37.8 million and \$20.4 million, respectively, within the one-year period after construction of each store is substantially complete. Additionally, the Company has a one-year option to call the ownership interest of the noncontrolling members of McDonald Ave, 22nd St, 46th St, Exterior St, and Cropsey Ave for \$10.0 million, \$11.5 million, \$14.2 million, \$37.8 million and \$20.4 million, respectively, beginning on the second anniversary of the respective store's construction being substantially complete. The Company is accreting the respective liabilities during the development periods and, as of December 31, 2017, has accrued \$2.2 million, \$3.3 million, \$8.2 million, \$28.9 million and \$20.4 million related to McDonald Ave, 22nd St, 46th St, Exterior St, and Cropsey Ave, respectively.
- (2) In connection with the acquired property, 55th St assumed mortgage debt that was recorded at a fair value of \$35.0 million, which fair value includes an outstanding principal balance totaling \$32.5 million and a net premium of \$2.5 million to reflect the estimated fair value of the debt at the time of assumption. The loan accrues interest at a fixed rate of 4.68%, matures on June 7, 2023, and is fully guaranteed by the Company.
- (3) The Company has a related party commitment to these ventures to fund all or a portion of the construction costs. As of December 31, 2017, the Company has fully funded its \$12.8 million loan commitment to Jamaica Ave and \$12.7 million of a total \$14.6 million loan commitment to SRLLC, which are included in the total liability amounts within the table above. These loans and related interest were eliminated during consolidation. As of December 31, 2017, the Company has not funded any of its \$10.8 million or \$6.2 million loan commitments to Waltham and 92nd St, respectively.

See note 4 for details regarding the Company's June 2, 2017 acquisition of the noncontrolling interest in a previously consolidated joint venture that developed and owned a store in Brooklyn, NY.

USIFB was formed to own, operate, acquire, and develop self-storage properties in England. The Company owned a 97% interest in USIFB through a wholly-owned subsidiary, and USIFB commenced operations at two stores in London, England during 2008. The Company determined that USIFB is a variable interest entity, and that the Company is the primary beneficiary. Accordingly, the Company consolidates the assets, liabilities, and results of operations of USIFB. On December 31, 2013 the Company provided a \$6.8 million (£4.1 million) loan secured by a mortgage on real estate assets of USIFB. On June 30, 2014, one of the assets was sold for net proceeds of \$7.0 million and the loan was repaid with proceeds from the sale. The loan and any related interest were eliminated during consolidation. On October 2, 2015, USIFB sold its remaining asset in London, England, for an aggregate sales price of £6.5 million (approximately \$9.9 million). In connection with the sale, the Company recorded a gain of \$3.0 million net of a foreign currency translation loss of \$1.2 million.

#### Operating Partnership Ownership

The Company follows guidance regarding the classification and measurement of redeemable securities. Under this guidance, securities that are redeemable for cash or other assets, at the option of the holder and not solely within the control of the issuer, must be classified outside of permanent equity/capital. This classification results in certain outside ownership interests being included as redeemable noncontrolling interests outside of permanent equity/capital in the consolidated balance sheets. The Company makes this determination based on terms in applicable agreements, specifically in relation to redemption provisions.

Additionally, with respect to redeemable ownership interests in the Operating Partnership held by third parties for which CubeSmart has a choice to settle the redemption by delivery of its own shares, the Operating Partnership considered the guidance regarding accounting for derivative financial instruments indexed to, and potentially settled in, a company's own shares, to evaluate whether CubeSmart controls the actions or events necessary to presume share settlement. The guidance also requires that noncontrolling interests classified outside of permanent capital be adjusted each period to the greater of the carrying value based on the accumulation of historical cost or the redemption value.

Approximately 1.0% and 1.1% of the outstanding OP Units as of December 31, 2017 and December 31, 2016, respectively, were not owned by CubeSmart, the sole general partner. The interests in the Operating Partnership represented by these OP Units were a component of the consideration that the Operating Partnership paid to acquire certain self-storage properties. The holders of the OP Units are limited partners in the Operating Partnership and have the right to require CubeSmart to redeem all or part of their OP Units for, at the general partner's option, an equivalent number of common shares of CubeSmart or cash based upon the fair value of an equivalent number of common shares of CubeSmart. However, the partnership agreement contains certain provisions that could result in a cash settlement outside the control of CubeSmart and the Operating Partnership, as CubeSmart does not have the ability to settle in unregistered shares. Accordingly, consistent with the guidance, the Operating Partnership records the OP Units

owned by third parties outside of permanent capital in the consolidated balance sheets. Net income or loss related to the OP Units owned by third parties is excluded from net income or loss attributable to Operating Partner in the consolidated statements of operations.

On May 14, 2015, the Company closed on the acquisition of real property that has been developed into a self-storage property in Washington, D.C. In conjunction with the closing, the Company issued 20,408 OP Units, valued at approximately \$0.5 million to pay a portion of the consideration. On April 18, 2016, upon completion of certain milestones, the Company issued 61,224 additional OP Units, valued at approximately \$1.5 million, to pay the remaining consideration. The store commenced operations during the third quarter of 2017.

On May 9, 2017, the Company acquired a store in Maryland for \$18.2 million and assumed an existing mortgage loan with an outstanding balance of approximately \$5.9 million. In conjunction with the closing, the Company issued 440,160 OP Units, valued at approximately \$12.3 million, to pay the remaining consideration.

On April 12, 2017, the Company acquired a store in Illinois for \$11.2 million. In conjunction with the closing, the Company paid \$9.7 million and issued 58,400 Class C OP Units to pay the remaining consideration.

As of December 31, 2017 and 2016, 1,878,253 and 2,032,394 OP Units, respectively, were held by third parties. The per unit cash redemption amount of the outstanding OP Units was calculated based upon the average of the closing prices of the common shares of CubeSmart on the New York Stock Exchange for the final 10 trading days of the year. Based on the Company's evaluation of the redemption value of the redeemable noncontrolling interests, the Company has reflected these interests at their redemption value as of December 31, 2017 and 2016. As of December 31, 2017, the Operating Partnership recorded an increase to OP Units owned by third

parties and a corresponding decrease to capital of \$4.0 million. As of December 31, 2016, the Operating Partnership recorded a decrease to OP Units owned by third parties and a corresponding increase to capital of \$7.4 million.

### 13. RELATED PARTY TRANSACTIONS

#### Affiliated Real Estate Investments

The Company provides management services to certain joint ventures and other related parties. Management agreements provide for fee income to the Company based on a percentage of revenue at the managed stores. Total management fees for unconsolidated joint ventures or other entities in which the Company held an ownership interest for the years ending December 31, 2017, 2016 and 2015 were \$3.8 million, \$2.9 million and \$1.0 million, respectively.

The management agreements for certain joint ventures, other related parties and third-party stores provide for the reimbursement to the Company for certain expenses incurred to manage the stores. These amounts consist of amounts due for management fees, payroll and other store expenses. The amounts due to the Company were \$7.5 million and \$3.3 million as of December 31, 2017 and 2016, respectively, and are included in Other Assets, net in the Company's consolidated balance sheets. Additionally, as discussed in note 12 the Company had outstanding mortgage loans receivable from consolidated joint ventures of \$25.5 million and \$34.7 million as of December 31, 2017 and 2016, respectively, which are eliminated for consolidation purposes. The Company believes that all of these related-party receivables are fully collectible.

The HVP III, HVP IV, and HHFNE operating agreements provide for acquisition fees payable from HVP III, HVP IV, and HHFNE to the Company in an amount equal to 0.5% of the purchase price upon closing of an acquisition by HVP III, HVP IV, and HHFNE, or any of their subsidiaries and completion of certain measures as defined in the operating agreements. The Company recognized \$0.5 million and \$1.8 million in acquisition fees during the years ended December 31, 2017 and 2016, respectively, which are included in Other income on the consolidated statements of operations. The Company did not recognize any acquisition fees during the year ended December 31, 2015.

### 14. COMMITMENTS AND CONTINGENCIES

#### Ground Leases

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The Company currently owns eight operating self-storage properties and two self-storage properties currently under development that are subject to ground leases, and two other operating self-storage properties that have portions of land that are subject to ground leases. The Company recorded ground rent expense of approximately \$3.4 million, \$2.7 million, and \$2.4 million for the years ended December 31, 2017, 2016 and 2015, respectively. Total future minimum rental payments under non-cancelable ground leases are as follows:

	Ground Lease Amount (in thousands)
2018	\$ 2,500
2019	2,670
2020	2,743
2021	2,812
2022	2,971
2023 and thereafter	119,343
	\$ 133,039

### Development Commitments

The Company has development agreements for the construction of six new self-storage properties (see note 4), which will require payments of approximately \$82.7 million, due in installments upon completion of certain construction milestones, during 2018 and 2019.

### Litigation

The Company is involved in claims from time to time, which arise in the ordinary course of business. In accordance with applicable accounting guidance, management establishes an accrued liability for litigation when those matters present loss contingencies that are both probable and reasonably estimable. In such cases, there may be exposure to loss in excess of those amounts accrued. The estimated loss, if any, is based upon currently available information and is subject to significant judgment, a variety of assumptions, and known and

unknown uncertainties. In the opinion of management, the Company has made adequate provisions for potential liabilities, arising from any such matters, which are included in Accounts payable, accrued expenses and other liabilities on the Company's consolidated balance sheets. However, litigation is inherently unpredictable, and the costs and other effects of pending or future litigation, governmental investigations, legal and administrative cases and proceedings (whether civil or criminal), settlements, judgments and investigations, claims, and changes in any such matters, could have a material adverse effect on the Company's business, financial condition, and operating results.

On July 13, 2015, a putative class action was filed against the Company in the Federal District Court of New Jersey seeking to obtain declaratory, injunctive and monetary relief for a class of New Jersey consumers based upon alleged violations by the Company of the New Jersey Truth in Customer Contract, Warranty and Notice Act and the New Jersey Consumer Fraud Act. On December 15, 2017, the court granted preliminary approval of a settlement for the class action. The settlement and associated expenses, which were previously reserved for, did not have a material impact on the Company's consolidated financial position or results of operations.

#### Insurance Recovery

As a result of hurricanes that occurred during the third quarter of 2017, the Company incurred damage at certain stores located in Florida and Texas. During the year ended December 31, 2017, the Company recorded \$1.1 million in charges based on the damage assessment and terms of the deductibles under the insurance policies, inclusive of its \$0.1 million portion of the charge taken by HHF. These charges are comprised of \$0.3 million in net book value write-offs related to damaged assets and \$0.8 million in estimated deductibles related to costs incurred for repairs and cleanup. The Company has comprehensive insurance coverage and, after receipt of \$0.3 million in October 2017, recorded a receivable of \$1.0 million as of December 31, 2017 for the remaining anticipated insurance recoveries which is included in Other assets within the Company's consolidated balance sheets. To the extent that insurance proceeds, which are on a replacement cost basis, ultimately exceed the net book value of the damaged assets, a gain will be recognized in the period in which all contingencies related to the insurance claim have been resolved. The estimated charges for the insurance deductibles and asset write-offs are included in Property operating expenses and Depreciation and amortization, respectively within the Company's consolidated statements of operations. The Company's portion of the charge taken by HHF is included in Equity in losses of real estate ventures within the Company's consolidated statements of operations.

#### 15. SHARE-BASED COMPENSATION PLANS

On June 1, 2016 the Company's shareholders approved an amendment and restatement of the Company's 2007 Equity Incentive Plan, a share-based employee compensation plan originally approved by shareholders on May 8, 2007 and subsequently amended with shareholder approval on June 2, 2010 (as amended and restated, the "2007 Plan"). The purpose of the 2007 Plan is to attract and retain highly qualified executive officers, Trustees and key employees and other persons and to motivate such officers, Trustees, key employees, and other persons to serve the Company and its affiliates to expend maximum effort to improve the business results and earnings of the Company, by providing to

such persons an opportunity to acquire or increase a direct proprietary interest in the operations and future success of the Company. To this end, the 2007 Plan provides for the grant of share options, share appreciation rights, restricted shares, restricted share units, performance awards, which may be denominated in cash or shares, included restricted shares and restricted share units, and other share-based awards, including unrestricted common shares or awards denominated or payable in, or valued in whole or part by reference to, common shares. Any of these awards may, but need not, be made as performance incentives to reward attainment of annual or long-term performance goals. Share options granted under the 2007 Plan may be non-qualified share options or incentive share options.

Upon shareholder approval of the amendment and restatement of the 2007 Plan in June 2016, 4,500,000 additional common shares were made available for award under the 2007 Plan. As a result, these 4,500,000 additional shares, together with the 991,117 shares that remained available for future awards under the 2007 Plan at the time of the shareholder approval, plus any common shares that are restored to availability upon expiration or forfeiture of outstanding options or restricted share awards, would constitute the “Aggregate Share Reserve”. As of December 31, 2017: (i) 4,936,124 common shares remained available for future awards under the 2007 Plan; (ii) 465,045 unvested restricted share awards were outstanding under the 2007 Plan; and (iii) 1,833,173 common shares were subject to outstanding options under the 2007 Plan (with the outstanding options having a weighted average exercise price of \$16.55 per share and a weighted average term to maturity of 5.26 years).

Prior to the June 2016 amendments, the 2007 Plan used a “Fungible Units” methodology for computing the maximum number of common shares available for issuance under the 2007 Plan. The Fungible Units methodology assigned weighted values to different types of awards under the 2007 Plan without assigning specific numerical limits for different types of awards. As amended in June 2016, the 2007 Plan provides that any common shares made the subject of awards under the 2007 Plan will count against the Aggregate Share Reserve as one (1) unit. The Aggregate Share Reserve and the computation of the number of common shares available for issuance is



subject to adjustment upon certain corporate transactions or events, including share splits, reverse share splits and recapitalizations. The number of shares counted against the Aggregate Share Reserve includes the full number of shares subject to the award, and is not reduced in the event shares are withheld to fund withholding tax obligations, or, in the case of options and share appreciation rights, where shares are applied to pay the exercise price. If an option or other award granted under the 2007 Plan expires, is forfeited or otherwise terminates, the common shares subject to any portion of the award that expires, is forfeited or that otherwise terminates, as the case may be, again becomes available for issuance under the 2007 Plan.

The 2007 Plan is administered by the Compensation Committee of the Company's Board of Trustees (the "Compensation Committee"), which is appointed by the Board of Trustees. The Compensation Committee interprets the 2007 Plan and, subject to its right to delegate authority to grant awards, determines the terms and provisions of option grants and share awards.

Subject to adjustment upon certain corporate transactions or events, a participant (other than a non-employee trustee) may not receive awards under the 2007 Plan in any one calendar year covering more than 1,000,000 shares. Subject to adjustment upon certain corporate transactions or events, a non-employee trustee may not receive awards under the 2007 Plan in any one calendar year covering more than 250,000 shares.

Under the 2007 Plan, the Compensation Committee determines the vesting schedule of each share award and option, subject to a one-year minimum vesting requirement, but with permitted acceleration of vesting in the event of a participant's death or disability, or in the event of a change in control or certain changes in our capital structure. Notwithstanding the foregoing one-year minimum vesting limitation, up to five percent of the shares subject to the Aggregate Share Reserve may be subject to awards that are not subject to such limitation. The exercise price for options is equivalent to the fair value of the underlying common shares at the grant date. The Compensation Committee also determines the term of each option, which shall not exceed 10 years from the grant date.

On October 19, 2004, the Company's sole shareholder approved a share-based employee compensation plan, the 2004 Equity Incentive Plan (the "2004 Plan"). The 2004 Plan expired in October 2014. Prior to its expiration, a total of 3.0 million common shares were reserved for issuance under the 2004 Plan. Subsequent to its expiration, no new equity awards may be granted under the 2004 Plan, and to the extent that options expire unexercised or are terminated, surrendered or canceled, the options and share awards no longer become available for future grants under the 2004 Plan. As of December 31, 2017, there were approximately five thousand shares outstanding under the 2004 Plan.

## Share Options

The fair values for options granted in 2017, 2016, and 2015 were estimated at the time the options were granted using the Black-Scholes option-pricing model applying the following weighted average assumptions:

Assumptions:	2017	2016	2015
Risk-free interest rate	2.2 %	1.8 %	1.5 %
Expected dividend yield	3.5 %	2.7 %	2.6 %
Volatility (1)	33.00%	33.00%	33.00%
Weighted average expected life of the options (2)	6.0 years	6.0 years	6.0 years
Weighted average grant date fair value of options granted per share	\$ 6.12	\$ 7.61	\$ 6.23

- (1) Expected volatility is based upon the level of volatility historically experienced.
- (2) Expected life is based upon our expectations of share option recipients' expected exercise and termination patterns.

The Black-Scholes option-pricing model was developed for use in estimating the fair value of traded options. In addition, option-pricing models require the input of highly subjective assumptions, including the expected share price volatility. Volatility for the 2017, 2016 and 2015 grants was based on the trading history of the Company's shares.

In 2017, 2016, and 2015, the Company recognized compensation expense related to options issued to employees and executives of approximately \$1.5 million, \$1.3 million and \$1.0 million, respectively, which is included in General and administrative expense on the Company's consolidated statements of operations. During 2017, 289,104 share options were issued for which the fair value of the options at their respective grant dates was approximately \$1.8 million. The share options vest over three years. As of December 31, 2017, the Company had approximately \$1.8 million of unrecognized option compensation cost related to all grants that will be recorded over the next three years.

The table below summarizes the option activity under the 2004 Plan and the 2007 Plan for the years ended December 31, 2017, 2016 and 2015:

	Number of Shares Under Option	Weighted Average Strike Price	Weighted Average Remaining Contractual Term
Balance at December 31, 2014	3,692,301	\$ 11.76	4.16
Options granted	202,485	25.00	9.08
Options canceled	(18,230)	19.75	—
Options exercised	(1,454,612)	11.31	2.38
Balance at December 31, 2015	2,421,944	\$ 13.07	4.08
Options granted	213,008	30.32	9.07
Options exercised	(695,262)	18.69	0.29
Balance at December 31, 2016	1,939,690	\$ 12.94	4.85
Options granted	289,104	26.30	9.07
Options exercised	(395,621)	5.98	1.14
Balance at December 31, 2017	1,833,173	\$ 16.55	5.26
Vested or expected to vest at December 31, 2017	1,833,173	\$ 16.55	5.26
Exercisable at December 31, 2017	1,337,280	\$ 12.58	4.04

As of December 31, 2017, the aggregate intrinsic value of options outstanding, of options that vested or expected to vest, and of options that were exercisable was approximately \$35.3 million. The aggregate intrinsic value of options exercised was approximately \$8.8 million for the year ended December 31, 2017.

#### Restricted Shares

The Company applies the fair value method of accounting for contingently issued shares. As such, each grant is recognized ratably over the related vesting period. Approximately 166,000 restricted shares and share units were issued during 2017 for which the fair value of the restricted shares and share units at their respective grant dates was approximately \$4.7 million, which vest over three to five years. During 2016, approximately 155,000 restricted shares and share units were issued for which the fair value of the restricted shares and share units at their respective grant dates was approximately \$5.2 million. As of December 31, 2017 the Company had approximately \$5.2 million of remaining unrecognized restricted share and share unit compensation costs that will be recognized over the next five years. Restricted share awards are considered to be performance awards and are valued using the share price on the grant date. The compensation expense recognized related to these awards and remaining unrecognized compensation costs are included in the amounts disclosed above.

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In 2017, 2016 and 2015, the Company recognized compensation expense related to restricted shares and share units issued to employees and Trustees of approximately \$4.1 million, \$3.6 million, and \$2.7 million, respectively; these amounts were recorded in general and administrative expense. The following table presents non-vested restricted share and share unit activity during 2017:

	Number of Non-Vested Restricted Shares and Share Units
Non-Vested at January 1, 2017	323,022
Granted	165,709
Vested	(130,500)
Forfeited	(5,769)
Non-Vested at December 31, 2017	352,462

On January 23, 2017, 52,426 restricted share units were granted to certain executives. The restricted share units were granted in the form of deferred share units with a market condition, entitling the holders thereof to receive common shares at a future date. The deferred share units will be awarded based on the Company's total return to shareholders with respect to a specified peer group consisting of publicly traded REITs over a three-year period. The fair value of the restricted share units on the grant date was approximately \$1.8 million. The Company used a Monte Carlo simulation analysis to estimate the fair value of the awards. The restricted share units will cliff vest upon the third anniversary of the effective date, or December 31, 2019. The compensation expense recognized related to these awards and remaining unrecognized compensation costs are included in the amounts disclosed above.

On January 22, 2016, 37,008 restricted share units were granted to certain executives. The restricted share units were granted in the form of deferred share units with a market condition, entitling the holders thereof to receive common shares at a future date. The deferred share units will be awarded based on the Company's total return to shareholders with respect to a specified peer group consisting of publicly traded REITs over a three-year period. The fair value of the restricted share units on the grant date was approximately \$1.6 million. The Company used a Monte Carlo simulation analysis to estimate the fair value of the awards. The restricted share units will cliff vest upon the third anniversary of the effective date, or December 31, 2018. The compensation expense recognized related to these awards and remaining unrecognized compensation costs are included in the amounts disclosed above.

On January 23, 2015, 35,614 restricted share units were granted to certain executives. The restricted share units were granted in the form of deferred share units with a market condition, entitling the holders thereof to receive common shares at a future date. The deferred share units will be awarded based on the Company's total return to shareholders with respect to a specified peer group consisting of publicly traded REITs over a three-year period. The fair value of the restricted share units on the grant date was approximately \$1.3 million. The Company used a Monte Carlo simulation analysis to estimate the fair value of the awards. The restricted share units will cliff vest upon the third anniversary of the effective date, or December 31, 2017. The compensation expense recognized related to these awards and remaining unrecognized compensation costs are included in the amounts disclosed above.

## 16. EARNINGS PER SHARE AND UNIT AND SHAREHOLDERS' EQUITY AND CAPITAL

## Earnings per common share and shareholders' equity

The following is a summary of the elements used in calculating basic and diluted earnings per common share:

	For the year ended December 31,		
	2017	2016	2015
	(Dollars and shares in thousands, except per share amounts)		
Net income	\$ 135,611	\$ 88,376	\$ 78,756
Noncontrolling interests in the Operating Partnership	(1,593)	(941)	(960)
Noncontrolling interest in subsidiaries	270	470	(84)
Distributions to preferred shareholders (1)	—	(5,045)	(6,008)
Preferred share redemption charge	—	(2,937)	—
Net income attributable to the Company's common shareholders	\$ 134,288	\$ 79,923	\$ 71,704
Weighted-average shares outstanding	180,525	178,246	168,640
Share options and restricted share units	923	1,287	1,551
Weighted-average diluted shares outstanding (2)	181,448	179,533	170,191
Basic earnings per share attributable to common shareholders	\$ 0.74	\$ 0.45	\$ 0.43
Diluted earnings per share attributable to common shareholders	\$ 0.74	\$ 0.45	\$ 0.42

## Earnings per common unit and capital

The following is a summary of the elements used in calculating basic and diluted earnings per common unit:

	For the year ended December 31,		
	2017	2016	2015
	(Dollars and units in thousands, except per unit amounts)		
Net income	\$ 135,611	\$ 88,376	\$ 78,756
Operating Partnership interests of third parties	(1,593)	(941)	(960)

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Noncontrolling interest in subsidiaries	270	470	(84)
Distribution to preferred unitholders (1)	—	(5,045)	(6,008)
Preferred unit redemption charge	—	(2,937)	—
Net income attributable to common unitholders	\$ 134,288	\$ 79,923	\$ 71,704
Weighted-average units outstanding	180,525	178,246	168,640
Unit options and restricted share units	923	1,287	1,551
Weighted-average diluted units outstanding (2)	181,448	179,533	170,191
Basic earnings per unit attributable to common unitholders	\$ 0.74	\$ 0.45	\$ 0.43
Diluted earnings per unit attributable to common unitholders	\$ 0.74	\$ 0.45	\$ 0.42

(1) For the year ended December 31, 2016, the Company declared cash dividends per preferred share/unit of \$1.626 prior to redemption of the preferred shares on November 2, 2016. For the year ended December 31, 2015, the Company declared cash dividends per preferred share/unit of \$1.938.

(2) For the years ended December 31, 2017, 2016 and 2015, the Company declared cash dividends per common share/unit of \$1.11, \$0.90, and \$0.69, respectively.

The OP units and common units have essentially the same economic characteristics as they share equally in the total net income or loss and distributions of the Operating Partnership. An Operating Partnership unit may be redeemed for cash, or at the Company's option, common units on a one-for-one basis. Outstanding noncontrolling interest units in the Operating Partnership were 1,878,253; 2,032,394 and 2,159,650 as of December 31, 2017, 2016 and 2015, respectively. There were 182,215,735; 180,083,111 and 174,667,870 common units outstanding as of December 31, 2017, 2016 and 2015, respectively.

## Common and Preferred Shares

On November 2, 2016, the Company redeemed all 3.1 million outstanding shares of 7.75% Series A Cumulative Redeemable Preferred Shares (the “Series A Preferred Shares”) at a cash redemption price of \$25.00 per share plus accumulated and unpaid dividends up to and including the date of redemption of \$0.17374 per share. The redemption price of \$77.5 million for the redemption of the Series A Preferred Shares was paid by the Company from available cash balances. In connection with the redemption, the Company recognized a charge of \$2.9 million related to excess redemption costs over the original net proceeds.

The Company maintains an at-the-market equity program that enables it to offer and sell up to 40.0 million common shares through sales agents pursuant to equity distribution agreements (the “Equity Distribution Agreements”). The Company’s sales activity under the program for the years ended December 31, 2017, 2016, and 2015 is summarized below:

	For the year ended December 31,		
	2017	2016	2015
	(Dollars and shares in thousands, except per share amounts)		
Number of shares sold	1,036	4,408	8,977
Average sales price per share	\$ 29.13	\$ 31.25	\$ 26.35
Net proceeds after deducting offering costs	\$ 29,642	\$ 136,120	\$ 234,240

The proceeds from the sales conducted during the years ended December 31, 2017, 2016, and 2015 were used to fund acquisitions of storage properties and for general corporate purposes. As of December 31, 2017, 2016, and 2015, 4.7 million common shares, 5.8 million common shares, and 10.2 million common shares, respectively, remained available for issuance under the Equity Distribution Agreements.

## 17. INCOME TAXES

Deferred income taxes are established for temporary differences between financial reporting basis and tax basis of assets and liabilities at the enacted tax rates expected to be in effect when the temporary differences reverse. A valuation allowance for deferred tax assets is provided if the Company believes that it is more likely than not that all or some portion of the deferred tax asset will not be realized. No valuation allowance was recorded as of December 31, 2017 or 2016. The Company had net deferred tax assets of \$1.4 million and \$1.3 million, which are included in



other assets on the Company's consolidated balance sheets as of December 31, 2017 and 2016, respectively. The Company believes it is more likely than not the deferred tax assets will be realized.

#### 18. PRO FORMA FINANCIAL INFORMATION (UNAUDITED)

During the years ended December 31, 2017 and 2016, the Company acquired seven self-storage properties for an aggregate purchase price of approximately \$80.7 million (see note 3) and 28 stores for an aggregate purchase price of approximately \$403.6 million, respectively.

The condensed consolidated pro forma financial information set forth below reflects adjustments to the Company's historical financial data to give effect to each of the acquisitions and related financing activity (including the issuance of common shares) that occurred during 2017 and 2016 as if each had occurred as of January 1, 2016 and 2015, respectively. The unaudited pro forma information presented below does not purport to represent what the Company's actual results of operations would have been for the periods indicated, nor does it purport to represent the Company's future results of operations.

The following table summarizes, on a pro forma basis, the Company's consolidated results of operations for the year ended December 31, 2017 and 2016 based on the assumptions described above:

	Year ended December 31,	
	2017	2016
	(in thousands, except per share data)	
Pro forma revenues	\$ 560,852	\$ 523,821
Pro forma net income	\$ 145,941	\$ 115,269
Earnings per share attributable to common shareholders:		
Basic - as reported	\$ 0.74	\$ 0.45
Diluted - as reported	\$ 0.74	\$ 0.45
Basic - as pro forma	\$ 0.80	\$ 0.63
Diluted - as pro forma	\$ 0.80	\$ 0.62

## 19. SUBSEQUENT EVENTS

Subsequent to December 31, 2017, the Company acquired one self-storage property in Texas for a purchase price of \$12.2 million. The purchase price was funded with \$7.4 million of cash and \$4.8 million through the issuance of 168,011 common units. Following a 13-month lock-up period, the holder may tender the common units for redemption by the Operating Partnership for a cash amount per common unit equal to the market value of an equivalent number of common shares of the Company. The Company has the right, but not the obligation, to assume and satisfy the redemption obligation of the Operating Partnership by issuing one common share in exchange for each common unit tendered for redemption.

## 20. SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

The following is a summary of quarterly financial information for the years ended December 31, 2017 and 2016 (in thousands, except per share data):

	Three months ended			
	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017
Total revenues	\$ 133,037	\$ 138,559	\$ 143,865	\$ 143,482
Total operating expenses	92,646	91,025	91,586	87,971
Net income attributable to the Company	24,986	32,458	37,297	39,547
Basic earnings per share	0.14	0.18	0.21	0.22
Diluted earnings per share	0.14	0.18	0.21	0.22

	Three months ended			
	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016
Total revenues	\$ 118,871	\$ 126,526	\$ 132,096	\$ 132,546
Total operating expenses	90,145	93,509	92,585	90,848
Net income attributable to the Company	15,750	20,424	24,884	26,847
Basic earnings per share	0.08	0.11	0.13	0.13
Diluted earnings per share	0.08	0.11	0.13	0.13

The sum of quarterly earnings per share amounts do not necessarily equal the full year amounts.

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CUBESMART

SCHEDULE III

REAL ESTATE AND RELATED DEPRECIATION

December 31, 2017

(Dollars in thousands)

Description	Square Footage	Encumbrances	Initial Cost		Costs Subsequent to Acquisition	Gross Carrying Amount at December 31, 2017			Acc Dep (B)
			Land	Buildings & Improvements		Land	Buildings & Improvements	Total	
Chandler I, AZ	47,680		327	1,257	399	327	1,480	1,807	608
Chandler II, AZ	82,915		1,518	7,485	108	1,518	7,592	9,110	1,04
Gilbert I, AZ	57,200		951	4,688	90	951	4,779	5,730	730
Gilbert II, AZ	114,080		1,199	11,846	152	1,199	11,998	13,197	383
Glendale, AZ	56,807		201	2,265	1,195	418	2,899	3,317	1,35
Green Valley, AZ	25,050		298	1,153	196	298	1,139	1,437	437
Mesa I, AZ	52,575		920	2,739	311	921	2,603	3,524	1,03
Mesa II, AZ	45,511		731	2,176	284	731	2,132	2,863	854
Mesa III, AZ	59,629		706	2,101	254	706	1,971	2,677	805
Peoria, AZ	110,835		1,436	7,082	241	1,436	7,322	8,758	596
Phoenix I, AZ	101,275		1,134	3,376	560	1,135	3,284	4,419	1,31
Phoenix II, AZ	83,160		756	2,251	1,636	847	3,187	4,034	1,21
Phoenix III, AZ	121,730		2,115	10,429	130	2,115	10,559	12,674	1,29
Phoenix IV, AZ	69,610		930	12,277	85	930	12,363	13,293	454
Queen Creek, AZ	94,462		1,159	5,716	84	1,159	5,800	6,959	513
Scottsdale, AZ	80,725		443	4,879	1,758	883	5,521	6,404	2,63
Surprise , AZ	72,325		584	3,761	107	584	3,868	4,452	256
Tempe I, AZ	53,890		749	2,159	575	749	2,424	3,173	846
	68,409		588	2,898	2,153	588	5,051	5,639	761

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Tempe II, AZ								
Tucson I, AZ	59,800	188	2,078	1,076	384	2,650	3,034	1,25
Tucson II, AZ	43,950	188	2,078	1,090	391	2,683	3,074	1,24
Tucson III, AZ	49,820	532	2,048	258	533	1,945	2,478	771
Tucson IV, AZ	48,040	674	2,595	371	675	2,545	3,220	984
Tucson V, AZ	45,134	515	1,980	357	515	1,981	2,496	786
Tucson VI, AZ	40,790	440	1,692	229	430	1,623	2,053	648
Tucson VII, AZ	52,663	670	2,576	324	670	2,486	3,156	994
Tucson VIII, AZ	46,650	589	2,265	336	589	2,250	2,839	888
Tucson IX, AZ	67,496	724	2,786	469	725	2,734	3,459	1,07
Tucson X, AZ	46,350	424	1,633	327	425	1,650	2,075	629
Tucson XI, AZ	42,700	439	1,689	416	439	1,814	2,253	767
Tucson XII, AZ	42,275	671	2,582	343	672	2,497	3,169	965
Tucson XIII, AZ	45,800	587	2,258	350	587	2,238	2,825	886
Tucson XIV, AZ	48,995	707	2,721	468	708	2,641	3,349	1,05
Benicia, CA	74,770	2,392	7,028	305	2,392	6,249	8,641	2,42
Citrus Heights, CA	75,620	1,633	4,793	234	1,634	4,253	5,887	1,72
Corona, CA	94,975	2,107	10,385	78	2,107	10,462	12,569	1,05
Diamond Bar, CA	103,558	2,522	7,404	273	2,524	6,585	9,109	2,64
Escondido, CA	143,645	3,040	11,804	223	3,040	9,669	12,709	3,14
Fallbrook, CA	45,926	133	1,492	1,849	432	2,832	3,264	1,33
Fremont, CA	51,324	1,158	5,711	164	1,158	5,876	7,034	743
Lancaster, CA	60,475	390	2,247	1,059	556	2,571	3,127	1,03
Long Beach, CA	124,571	3,138	14,368	903	3,138	13,335	16,473	4,99
Murrieta, CA	49,775	1,883	5,532	249	1,903	4,915	6,818	1,91
North Highlands, CA	57,094	868	2,546	429	868	2,517	3,385	1,02
Ontario, CA	93,590	1,705	8,401	345	1,705	8,745	10,450	897

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Orangevale, CA	50,542	1,423	4,175	312	1,423	3,813	5,236	1,54
Pleasanton, CA	83,600	2,799	8,222	215	2,799	7,194	9,993	2,78
Rancho Cordova, CA	53,978	1,094	3,212	390	1,095	3,059	4,154	1,20
Rialto I, CA	57,391	899	4,118	212	899	3,758	4,657	1,43
Rialto II, CA	99,783	277	3,098	1,756	672	4,057	4,729	2,03
Riverside I, CA	67,220	1,351	6,183	598	1,351	5,949	7,300	2,23
Riverside II, CA	85,176	1,170	5,359	372	1,170	4,941	6,111	1,90
Roseville, CA	59,944	1,284	3,767	425	1,284	3,593	4,877	1,45
Sacramento I, CA	50,664	1,152	3,380	324	1,152	3,144	4,296	1,26
Sacramento II, CA	111,736	2,085	6,750	327	2,086	6,413	8,499	1,54
San Bernardino I, CA	31,070	51	572	1,188	182	1,432	1,614	660
San Bernardino II, CA	41,546	112	1,251	1,359	306	2,067	2,373	952
San Bernardino III, CA	35,416	98	1,093	1,321	242	1,918	2,160	889
San Bernardino IV, CA	83,227	1,872	5,391	219	1,872	4,894	6,766	1,88
San Bernardino V, CA	56,745	783	3,583	571	783	3,628	4,411	1,39
San Bernardino VII, CA	78,809	1,475	6,753	309	1,290	6,315	7,605	2,44
San Bernardino VIII, CA	103,567	1,691	7,741	603	1,692	6,391	8,083	2,50
San Marcos, CA	37,425	775	2,288	175	776	2,093	2,869	835
Santa Ana, CA	63,916	1,223	5,600	436	1,223	5,258	6,481	1,98
South Sacramento, CA	52,390	790	2,319	344	791	2,244	3,035	891
Spring Valley, CA	55,035	1,178	5,394	848	1,178	5,498	6,676	2,07
Temecula I, CA	81,340	660	4,735	1,001	899	5,165	6,064	2,30

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Temecula II, CA	84,520		3,080	5,839	708	3,080	5,612	8,692	1,73
Vista I, CA	74,238		711	4,076	2,346	1,118	5,099	6,217	2,05
Vista II, CA	147,753		4,629	13,599	174	4,629	11,712	16,341	4,59
Walnut, CA	50,708		1,578	4,635	326	1,595	4,223	5,818	1,64
West Sacramento, CA	39,765	(A)	1,222	3,590	216	1,222	3,239	4,461	1,27
Westminster, CA	68,393		1,740	5,142	379	1,743	4,634	6,377	1,88
Aurora, CO	75,717		1,343	2,986	559	1,343	2,996	4,339	1,10
Centennial, CO	62,400		1,281	8,958	92	1,281	9,049	10,330	452
Colorado Springs I, CO	47,975		771	1,717	409	771	1,783	2,554	683
Colorado Springs II, CO	62,400		657	2,674	269	656	2,435	3,091	934
Denver I, CO	59,200		673	2,741	227	646	2,490	3,136	1,01
Denver II, CO	74,390		1,430	7,053	120	1,430	7,172	8,602	1,21
Denver III, CO	76,025		1,828	12,109	65	1,828	12,174	14,002	496
Federal Heights, CO	54,770		878	1,953	275	879	1,830	2,709	702
Golden, CO	87,800		1,683	3,744	564	1,684	3,636	5,320	1,36
Littleton, CO	53,490		1,268	2,820	388	1,268	2,701	3,969	983
Northglenn, CO	43,102		862	1,917	432	662	2,135	2,797	750
Bloomfield, CT	48,700		78	880	2,408	360	2,678	3,038	1,18

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Description	Square Footage	Encumbrances	Initial Cost		Costs Subsequent to Acquisition	Gross Carrying Amount at December 31, 2017			Accumulated Depreciation (B)
			Land	Buildings & Improvements		Land	Buildings & Improvements	Total	
Branford, CT	50,629		217	2,433	1,516	504	3,236	3,740	1,516
Bristol, CT	47,725		1,819	3,161	104	1,819	2,801	4,620	1,200
East Windsor, CT	45,966		744	1,294	508	744	1,531	2,275	680
Enfield, CT	52,875		424	2,424	460	473	2,107	2,580	890
Gales Ferry, CT	54,905		240	2,697	1,550	489	3,555	4,044	1,800
Manchester I, CT	46,925		540	3,096	476	563	2,576	3,139	1,000
Manchester II, CT	52,725		996	1,730	325	996	1,748	2,744	739
Manchester III, CT	60,113		671	3,308	157	671	3,465	4,136	444
Milford, CT	44,885		87	1,050	1,210	274	1,767	2,041	849
Monroe, CT	58,500		2,004	3,483	656	2,004	3,454	5,458	1,500
Mystic, CT	50,825		136	1,645	2,071	410	2,958	3,368	1,400
Newington I, CT	42,620		1,059	1,840	272	1,059	1,818	2,877	764
Newington II, CT	36,140		911	1,584	291	911	1,601	2,512	685
Norwalk I, CT	30,160		646	3,187	58	646	3,244	3,890	569
Norwalk II, CT	78,175		1,171	15,422	108	1,171	15,530	16,701	784
Old Saybrook I, CT	87,000		3,092	5,374	706	3,092	5,226	8,318	2,200
Old Saybrook II, CT	26,425		1,135	1,973	254	1,135	1,899	3,034	850
Shelton, CT	78,405		1,613	9,032	217	1,613	8,165	9,778	1,600
South Windsor, CT	72,025		90	1,127	1,493	272	2,228	2,500	1,000
Stamford, CT	28,907		1,941	3,374	188	1,941	3,022	4,963	1,200
Wilton, CT	84,515		2,409	12,261	404	2,421	12,727	15,148	2,300
Washington I, DC	62,685	(A)	871	12,759	536	894	10,573	11,467	3,300
Washington II, DC	82,697		3,152	13,612	202	3,154	12,039	15,193	2,300
	78,340		4,469	15,438	58	4,469	15,497	19,966	894



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Washington III, DC								
Washington IV, DC	71,971	6,359	20,417	2	6,359	20,419	26,778	133
Boca Raton, FL	37,968	529	3,054	1,605	813	3,551	4,364	1,4
Boynton Beach I, FL	61,725	667	3,796	1,927	958	4,392	5,350	1,7
Boynton Beach II, FL	61,514	1,030	2,968	443	1,030	2,973	4,003	1,1
Boynton Beach III, FL	67,393	1,225	6,037	247	1,225	6,285	7,510	718
Boynton Beach IV, FL	76,098	1,455	7,171	54	1,455	7,226	8,681	576
Bradenton I, FL	68,398	1,180	3,324	250	1,180	3,053	4,233	1,2
Bradenton II, FL	88,063	1,931	5,561	1,131	1,931	5,596	7,527	2,2
Cape Coral I, FL	76,857	472	2,769	2,574	830	4,040	4,870	1,9
Cape Coral II, FL	67,955	1,093	5,387	99	1,093	5,485	6,578	545
Coconut Creek I, FL	78,846	1,189	5,863	173	1,189	6,035	7,224	1,0
Coconut Creek II, FL	90,147	1,937	9,549	174	1,937	9,723	11,660	1,2
Dania Beach, FL	180,588	3,584	10,324	1,656	3,584	10,442	14,026	4,0
Dania, FL	58,165	205	2,068	1,519	481	2,888	3,369	1,4
Davie, FL	80,985	1,268	7,183	1,240	1,373	6,152	7,525	2,3
Deerfield Beach, FL	57,230	946	2,999	2,001	1,311	4,490	5,801	2,0
Delray Beach I, FL	67,833	798	4,539	822	883	4,075	4,958	1,7
Delray Beach II, FL	75,710	957	4,718	222	957	4,940	5,897	737
Delray Beach III, FL	94,377	2,086	10,286	155	2,086	10,442	12,528	1,1
Delray Beach IV, FL	97,945	2,208	14,384	5	2,208	14,388	16,596	36
Ft. Lauderdale I, FL	70,093	937	3,646	2,490	1,384	5,455	6,839	2,4
Ft. Lauderdale II, FL	49,577	862	4,250	86	862	4,337	5,199	557
	67,534	303	3,329	940	328	3,269	3,597	1,5

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Ft. Myers I, FL									
Ft. Myers II, FL	83,375		1,030	5,080	135	1,030	5,215	6,245	592
Ft. Myers III, FL	81,554		1,148	5,658	155	1,148	5,814	6,962	657
Jacksonville I, FL	79,705		1,862	5,362	156	1,862	4,836	6,698	1,7
Jacksonville II, FL	64,970		950	7,004	170	950	5,626	6,576	1,8
Jacksonville III, FL	65,840		860	7,409	1,010	1,670	6,018	7,688	1,9
Jacksonville IV, FL	77,525		870	8,049	1,159	1,651	7,133	8,784	2,2
Jacksonville V, FL	82,523		1,220	8,210	362	1,220	6,835	8,055	2,2
Jacksonville VI, FL	67,375		755	3,725	122	755	3,846	4,601	384
Kendall, FL	75,495	(A)	2,350	8,106	476	2,350	6,808	9,158	2,1
Lake Worth I, FL	160,622		183	6,597	7,507	354	10,905	11,259	4,9
Lake Worth II, FL	86,924		1,552	7,654	176	1,552	7,829	9,381	922
Lake Worth III, FL	92,510		957	4,716	211	957	4,928	5,885	421
Lakeland, FL	49,095		81	896	1,247	256	1,556	1,812	737
Leisure City, FL	56,225		409	2,018	164	409	2,181	2,590	384
Lutz I, FL	66,795		901	2,478	264	901	2,356	3,257	928
Lutz II, FL	69,232		992	2,868	400	992	2,773	3,765	1,0
Margate I, FL	53,660		161	1,763	2,202	399	3,285	3,684	1,6
Margate II, FL	65,380		132	1,473	1,859	383	2,712	3,095	1,2
Merritt Island, FL	50,261		716	2,983	667	796	2,738	3,534	1,0
Miami I, FL	46,500		179	1,999	1,850	484	2,850	3,334	1,3
Miami II, FL	66,960		253	2,544	1,619	561	3,332	3,893	1,6
Miami III, FL	151,620		4,577	13,185	867	4,577	12,228	16,805	4,5
Miami IV, FL	76,695		1,852	10,494	936	1,963	9,869	11,832	2,1
Miramar, FL	80,130		1,206	5,944	80	1,206	6,025	7,231	881
Naples I, FL	48,100		90	1,010	2,631	270	3,100	3,370	1,4
Naples II, FL	65,850		148	1,652	4,294	558	5,252	5,810	2,5
Naples III, FL	80,021		139	1,561	4,147	598	4,079	4,677	1,9
Naples IV, FL	40,625		262	2,980	613	407	2,996	3,403	1,4

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New Smyrna Beach, FL	81,454	1,261	6,215	193	1,261	6,407	7,668	647
North Palm Beach, FL	46,275	1,374	7,649	29	1,374	7,679	9,053	234
Oakland Park, FL	63,231	3,007	10,145	11	3,007	10,157	13,164	47
Ocoee, FL	76,150	1,286	3,705	198	1,286	3,386	4,672	1,2
Orange City, FL	59,580	1,191	3,209	230	1,191	2,952	4,143	1,1
Orlando II, FL	63,184	1,589	4,576	202	1,589	4,138	5,727	1,5
Orlando III, FL	101,510	1,209	7,768	742	1,209	7,122	8,331	2,4
Orlando IV, FL	76,601	633	3,587	184	633	3,268	3,901	734
Orlando V, FL	75,327	950	4,685	127	950	4,811	5,761	803
Orlando VI, FL	67,275	640	3,154	141	640	3,295	3,935	334
Oviedo, FL	49,276	440	2,824	607	440	2,759	3,199	963
Palm Coast I, FL	47,400	555	2,735	110	555	2,845	3,400	366
Palm Coast II, FL	122,490	1,511	7,450	353	1,511	7,804	9,315	999
Palm Harbor, FL	82,685	2,457	16,178	118	2,457	16,297	18,754	782
Pembroke Pines, FL	67,321	337	3,772	2,808	953	5,434	6,387	2,6
Royal Palm Beach II, FL	81,238	1,640	8,607	301	1,640	7,247	8,887	2,3
Sanford I, FL	61,810	453	2,911	187	453	2,532	2,985	848
Sanford II, FL	69,755	1,003	4,944	215	1,003	5,159	6,162	526

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Description	Square Footage	Encumbrances	Initial Cost		Costs Subsequent to Acquisition	Gross Carrying Amount at December 31, 2017			A D (E
			Land	Buildings & Improvements		Land	Buildings & Improvements	Total	
Sarasota, FL	71,142		333	3,656	1,399	529	3,842	4,371	1,
St. Augustine, FL	59,725		135	1,515	3,411	383	4,322	4,705	2,
St. Petersburg, FL	66,025		2,721	10,173	422	2,721	10,594	13,315	50
Stuart, FL	86,756		324	3,625	3,185	685	5,823	6,508	2,
SW Ranches, FL	64,975		1,390	7,598	284	1,390	6,020	7,410	1,
Tampa I, FL	83,938		2,670	6,249	258	2,670	5,154	7,824	1,
Tampa II, FL	74,790		2,291	10,262	123	2,291	10,385	12,676	49
West Palm Beach I, FL	66,906		719	3,420	1,667	835	3,841	4,676	1,
West Palm Beach II, FL	94,353		2,129	8,671	439	2,129	7,805	9,934	3,
West Palm Beach III, FL	77,410		804	3,962	74	804	4,036	4,840	63
West Palm Beach IV, FL	102,742		1,499	7,392	318	1,499	7,709	9,208	88
Winter Park, FL	54,416		866	4,268	92	866	4,360	5,226	44
Alpharetta, GA	90,501		806	4,720	1,060	967	4,032	4,999	1,
Atlanta, GA	66,625		822	4,053	73	822	4,127	4,949	70
Austell, GA	83,655		1,635	4,711	381	1,643	4,436	6,079	1,
Decatur, GA	145,320		616	6,776	400	616	6,183	6,799	3,
Duluth, GA	70,885		373	2,044	216	373	1,935	2,308	40
Lawrenceville, GA	73,740		546	2,903	424	546	2,910	3,456	61
Lithia Springs, GA	66,750		748	5,552	125	748	5,675	6,423	38
Norcross I, GA	85,420		514	2,930	954	632	2,969	3,601	1,
Norcross II, GA	52,595		366	2,025	224	366	1,965	2,331	41
Norcross III, GA	46,955		938	4,625	70	938	4,696	5,634	87
Norcross IV, GA	57,505		576	2,839	117	576	2,956	3,532	50
Peachtree City I, GA	49,875		435	2,532	788	529	2,541	3,070	99
Peachtree City II, GA	59,950		398	1,963	120	398	2,084	2,482	33

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Smyrna, GA	57,015	750	4,271	318	750	3,471	4,221	1,
Snellville, GA	79,950	1,660	4,781	355	1,660	4,473	6,133	1,
Suwanee I, GA	85,125	1,737	5,010	343	1,737	4,653	6,390	1,
Suwanee II, GA	80,340	800	6,942	93	622	5,831	6,453	1,
Villa Rica, GA	65,281	757	5,616	147	757	5,763	6,520	38
Addison, IL	31,575	428	3,531	475	428	3,505	3,933	1,
Aurora, IL	73,985	644	3,652	203	644	3,335	3,979	1,
Bartlett, IL	51,395	931	2,493	306	931	2,395	3,326	94
Bellwood, IL	86,350	1,012	5,768	1,070	1,012	5,103	6,115	2,
Blue Island, IL	55,125	633	3,120	47	633	3,167	3,800	28
Bolingbrook, IL	82,425	1,675	8,254	175	1,675	8,430	10,105	86
Chicago I, IL	95,845	2,667	13,118	953	2,667	14,070	16,737	1,
Chicago II, IL	78,585	833	4,035	73	833	4,108	4,941	4,
Chicago III, IL	84,990	2,427	11,962	813	2,427	12,775	15,202	1,
Chicago IV, IL	60,495	1,296	6,385	56	1,296	6,442	7,738	56
Chicago V, IL	51,775	1,044	5,144	53	1,044	5,197	6,241	43
Chicago VI, IL	71,785	1,596	9,535	47	1,596	9,582	11,178	48
Chicago VII, IL	91,292	—	11,191	290	—	11,481	11,481	58
Countryside, IL	97,356	2,607	12,684	185	2,607	12,870	15,477	1,
Des Plaines, IL	69,450	1,564	4,327	815	1,564	4,503	6,067	1,
Downers Grove, IL	71,625	1,498	13,153	23	1,498	13,176	14,674	67
Elk Grove Village, IL	64,054	1,446	3,535	306	1,446	3,311	4,757	1,
Evanston, IL	57,715	1,103	5,440	218	1,103	5,657	6,760	84
Glenview, IL	100,085	3,740	10,367	578	3,740	9,478	13,218	3,
Gurnee, IL	80,300	1,521	5,440	380	1,521	5,056	6,577	2,
Hanover, IL	41,190	1,126	2,197	307	1,126	2,166	3,292	86
Harvey, IL	60,090	869	3,635	354	869	3,447	4,316	1,
Joliet, IL	72,865	547	4,704	251	547	4,296	4,843	1,
Kildeer, IL	74,463	2,102	2,187	4,570	1,997	6,554	8,551	97
Lombard, IL	58,241	1,305	3,938	932	1,305	4,264	5,569	1,
Maywood, IL	60,225	749	3,689	31	749	3,720	4,469	32
Mount Prospect, IL	64,950	1,701	3,114	645	1,701	3,306	5,007	1,
Mundelein, IL	44,700	1,498	2,782	412	1,498	2,778	4,276	1,
North Chicago, IL	53,400	1,073	3,006	510	1,073	3,031	4,104	1,
Plainfield I, IL	53,900	1,770	1,715	346	1,740	1,768	3,508	66
	51,900	694	2,000	285	694	1,952	2,646	70

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Plainfield II, IL									
Riverwoods, IL	73,915		1,585	7,826	92	1,585	7,918	9,503	19,746
Schaumburg, IL	31,160		538	645	257	538	765	1,303	28,918
Streamwood, IL	64,305		1,447	1,662	491	1,447	1,841	3,288	70,896
Warrenville, IL	48,796		1,066	3,072	505	1,066	3,145	4,211	1,000
Waukegan, IL	79,500		1,198	4,363	650	1,198	4,360	5,558	1,000
West Chicago, IL	48,175		1,071	2,249	497	1,071	2,388	3,459	90,000
Westmont, IL	53,400		1,155	3,873	318	1,155	3,650	4,805	1,000
Wheeling I, IL	54,210		857	3,213	458	857	3,199	4,056	1,000
Wheeling II, IL	67,825		793	3,816	550	793	3,814	4,607	1,000
Woodridge, IL	50,232		943	3,397	303	943	3,225	4,168	1,000
Schererville, IN	67,604		1,134	5,589	54	1,134	5,643	6,777	64,000
Boston I, MA	33,286		538	3,048	266	538	2,890	3,428	63,000
Boston II, MA	60,470		1,516	8,628	726	1,516	6,899	8,415	2,000
Boston III, MA	108,205		3,211	15,829	706	3,211	16,535	19,746	1,000
Brockton, MA	59,296		577	4,394	34	577	4,427	5,004	29,000
Haverhill, MA	60,589		669	6,610	54	669	6,664	7,333	44,000
Lawrence, MA	34,672		585	4,737	263	585	5,000	5,585	33,000
Leominster, MA	54,073		90	1,519	2,533	338	3,411	3,749	1,000
Medford, MA	58,685		1,330	7,165	374	1,330	6,046	7,376	1,000
Stoneham, MA	61,300		1,558	7,679	319	1,558	7,998	9,556	1,000
Tewksbury, MA	62,402		1,537	7,579	276	1,537	7,854	9,391	90,000
Walpole, MA	74,890		634	13,069	324	634	13,393	14,027	59,000
Annapolis, MD	92,332	5,786	2,643	13,938	38	2,643	13,976	16,619	27,000
Baltimore, MD	93,750		1,050	5,997	1,443	1,173	5,297	6,470	2,000
Beltsville, MD	63,687		1,277	6,295	72	1,268	6,375	7,643	93,000
California, MD	77,840		1,486	4,280	341	1,486	4,030	5,516	1,000
Capitol Heights, MD	79,600		2,704	13,332	43	2,704	13,376	16,080	1,000
Clinton, MD District	84,225		2,182	10,757	133	2,182	10,890	13,072	1,000
Heights, MD	78,240		1,527	8,313	540	1,527	7,728	9,255	1,000
Elkridge, MD	63,475		1,155	5,695	239	1,155	5,934	7,089	79,000
Gaithersburg I, MD	87,045		3,124	9,000	480	3,124	8,218	11,342	3,000

Gaithersburg  
II, MD

74,150

2,383

11,750

69

2,383

11,819

14,202

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Description	Square Footage	Encumbrances	Initial Cost		Costs Subsequent to Acquisition	Gross Carrying Amount at December 31, 2017		Total	
			Land	Buildings & Improvements		Land	Buildings & Improvements		
Hyattsville, MD	52,830		1,113	5,485	100	1,113	5,586	6,699	8
Laurel, MD	162,896		1,409	8,035	3,673	1,928	8,853	10,781	3
Temple Hills I, MD	97,270		1,541	8,788	2,596	1,800	8,886	10,686	3
Temple Hills II, MD	84,225		2,229	10,988	54	2,229	11,042	13,271	1
Timonium, MD	66,717		2,269	11,184	199	2,269	11,382	13,651	1
Upper Marlboro, MD	62,290		1,309	6,455	99	1,309	6,552	7,861	9
Bloomington, MN	101,028		1,598	12,298	124	1,598	12,424	14,022	4
Belmont, NC	81,850		385	2,196	959	451	2,339	2,790	9
Burlington I, NC	109,300		498	2,837	875	498	2,898	3,396	1
Burlington II, NC	42,165		320	1,829	442	340	1,731	2,071	7
Cary, NC	112,402		543	3,097	827	543	3,228	3,771	1
Charlotte I, NC	69,000		782	4,429	1,537	1,068	4,510	5,578	1
Charlotte II, NC	53,736		821	8,764	55	821	8,818	9,639	2
Cornelius, NC	59,270		2,424	4,991	929	2,424	5,920	8,344	3
Pineville, NC	77,747		2,490	9,169	140	2,490	9,309	11,799	6
Raleigh, NC	48,675		209	2,398	422	296	2,344	2,640	
Bordentown, NJ	50,550		457	2,255	170	457	2,424	2,881	3
Brick, NJ	51,720		234	2,762	1,466	485	3,395	3,880	1
Cherry Hill I, NJ	51,500		222	1,260	182	222	1,260	1,482	3
Cherry Hill II, NJ	65,500		471	2,323	317	471	2,640	3,111	4
Clifton, NJ	105,550		4,346	12,520	300	4,340	11,140	15,480	4
Cranford, NJ	91,280		290	3,493	2,757	779	5,055	5,834	2
East Hanover, NJ	107,679		504	5,763	4042	1,315	7,873	9,188	3
Egg Harbor I, NJ	36,025		104	510	66	104	565	669	1
	70,400		284	1,608	278	284	1,666	1,950	3



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Egg Harbor II, NJ								
Elizabeth, NJ	38,830	751	2,164	692	751	2,533	3,284	9
Fairview, NJ	27,876	246	2,759	583	246	2,736	2,982	1
Freehold, NJ	81,420	1,086	5,355	203	1,086	5,558	6,644	9
Hamilton, NJ	70,550	1,885	5,430	498	1,893	5,160	7,053	3
Hoboken, NJ	34,130	1,370	3,947	774	1,370	4,087	5,457	3
Linden, NJ	100,425	517	6,008	2,522	1,043	6,994	8,037	3
Lumberton, NJ	96,025	987	4,864	315	987	5,178	6,165	8
Morris Township, NJ	72,226	500	5,602	2,984	1,072	6,947	8,019	3
Parsippany, NJ	84,655	475	5,322	5,740	844	9,723	10,567	3
Rahway, NJ	83,121	1,486	7,326	660	1,486	7,986	9,472	1
Randolph, NJ	52,565	855	4,872	1,358	1,108	4,541	5,649	1
Ridgefield, NJ	67,803	1,810	8,925	315	1,810	9,239	11,049	7
Roseland, NJ	53,569	1,844	9,759	145	1,844	9,904	11,748	6
Sewell, NJ	57,826	484	2,766	1,414	706	3,102	3,808	1
Somerset, NJ	57,485	1,243	6,129	205	1,243	6,333	7,576	1
Whippany, NJ	92,070	2,153	10,615	131	2,153	10,746	12,899	1
Albuquerque I, NM	65,927	1,039	3,395	356	1,039	3,168	4,207	1
Albuquerque II, NM	58,798	1,163	3,801	268	1,163	3,446	4,609	1
Albuquerque III, NM	57,536	664	2,171	364	664	2,145	2,809	8
Henderson, NV	75,150	1,246	6,143	100	1,246	6,241	7,487	6
Las Vegas I, NV	48,732	1,851	2,986	581	1,851	3,155	5,006	1
Las Vegas II, NV	48,850	3,354	5,411	435	3,355	5,265	8,620	2
Las Vegas III, NV	84,600	1,171	10,034	110	1,171	10,144	11,315	3
Las Vegas IV, NV	91,557	1,116	8,575	92	1,116	8,665	9,781	3
Las Vegas V, NV	107,226	1,460	9,560	176	1,460	9,736	11,196	3
Las Vegas VI, NV	92,707	1,386	12,299	98	1,386	12,397	13,783	3
Baldwin, NY	61,380	1,559	7,685	624	1,559	8,309	9,868	6
Bronx I, NY	67,864	2,014	11,411	1,021	2,014	10,840	12,854	2
Bronx II, NY	99,046	—	28,289	1,697	—	29,451	29,451	3
Bronx III, NY	105,900	6,459	36,180	185	6,460	32,018	38,478	6
Bronx IV, NY	74,580	—	22,074	124	—	19,543	19,543	3

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Bronx V, NY	54,704		—	17,556	208	—	15,653	15,653	3
Bronx VI, NY	45,970		—	16,803	361	—	15,132	15,132	2
Bronx VII, NY	78,625	8,228	—	22,512	186	—	22,807	22,807	4
Bronx VIII, NY	30,550	2,889	1,245	6,137	163	1,251	6,330	7,581	
Bronx IX, NY	147,870	22,508	7,967	39,279	1,332	7,967	40,610	48,577	7
Bronx X, NY	159,805	25,700	9,090	44,816	475	9,090	45,291	54,381	7
Bronx XI, NY	46,425		—	17,130	265	—	17,396	17,396	1
Bronx XII, NY	89,785		—	31,603	73	—	31,674	31,674	1
Brooklyn I, NY	57,566		1,795	10,172	329	1,795	9,084	10,879	2
Brooklyn II, NY	60,920		1,601	9,073	494	1,601	8,269	9,870	1
Brooklyn III, NY	41,510		2,772	13,570	142	2,772	13,794	16,566	2
Brooklyn IV, NY	37,545		2,283	11,184	164	2,284	11,411	13,695	2
Brooklyn V, NY	47,020		2,374	11,636	109	2,374	11,798	14,172	2
Brooklyn VI, NY	74,920		4,210	20,638	100	4,211	20,845	25,056	4
Brooklyn VII, NY	72,750		5,604	27,452	192	5,604	27,809	33,413	5
Brooklyn VIII, NY	61,555		4,982	24,561	89	4,982	24,649	29,631	2
Brooklyn IX, NY	46,980		2,966	14,620	106	2,966	14,726	17,692	1
Brooklyn X, NY	55,875		3,739	7,703	2,916	4,885	9,472	14,357	6
Brooklyn XI, NY	110,075		10,093	35,385	226	10,093	35,610	45,703	2
Brooklyn XII, NY	131,588		1,077	6,057	—	1,077	6,056	7,133	
Holbrook, NY	60,397		2,029	10,737	57	2,029	10,794	12,823	7
Jamaica I, NY	88,385		2,043	11,658	1,802	2,043	10,739	12,782	4
Jamaica II, NY	92,805		5,391	26,413	386	5,391	26,942	32,333	5
Long Island City, NY	88,825		5,700	28,101	43	5,700	28,144	33,844	2
New Rochelle I, NY	43,596		1,673	4,827	1,212	1,673	5,380	7,053	1
New Rochelle II,	63,300		3,167	2,713	434	3,762	18,980	22,742	3

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NY									
New York,									
NY	94,912	31,727	42,022	38,753	—	42,022	38,753	80,775	4
North									
Babylon, NY	78,350		225	2,514	4,230	568	5,595	6,163	2
Patchogue,									
NY	47,759		1,141	5,624	48	1,141	5,672	6,813	3
Queens I, NY	74,188		5,158	12,339	757	5,160	13,094	18,254	9
Queens II,									
NY	90,728		6,208	25,815	6	6,208	25,822	32,030	1
Riverhead,									
NY	38,490		1,068	1,149	204	1,068	1,075	2,143	4
Southold,									
NY	59,945		2,079	2,238	347	2,079	2,181	4,260	9
Staten Island,									
NY	96,573		1,919	9,463	848	1,919	10,312	12,231	1
Tuckahoe,									
NY	50,978		2,363	17,411	286	2,363	11,926	14,289	2
West									
Hempstead,									
NY	83,395		2,237	11,030	159	2,237	11,188	13,425	1
White Plains,									
NY	85,864		3,295	18,049	1,020	3,295	16,577	19,872	3

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Description	Square Footage	Encumbrances	Initial Cost		Costs Subsequent to Acquisition	Gross Carrying Amount at December 31, 2017		Total
			Land	Buildings & Improvements		Land	Buildings & Improvements	
Woodhaven, NY	50,665		2,015	11,219	90	2,015	10,012	12,027
Wyckoff, NY	60,210		1,961	11,113	325	1,961	9,956	11,917
Yorktown, NY	78,879		2,382	11,720	193	2,382	11,927	14,309
Cleveland I, OH	46,000		525	2,592	270	524	2,512	3,036
Cleveland II, OH	58,325		290	1,427	230	289	1,404	1,693
Columbus I, OH	71,905		1,234	3,151	148	1,239	2,823	4,062
Columbus II, OH	36,409		769	3,788	209	769	3,997	4,766
Columbus III, OH	51,200		326	1,607	118	326	1,725	2,051
Columbus IV, OH	60,950		443	2,182	99	443	2,281	2,724
Columbus V, OH	73,325		838	4,128	114	838	4,242	5,080
Columbus VI, OH	63,525		701	3,454	99	701	3,553	4,254
Grove City, OH	89,290		1,756	4,485	280	1,761	4,147	5,908
Hilliard, OH	89,290		1,361	3,476	255	1,366	3,243	4,609
Lakewood, OH	39,332		405	854	637	405	1,335	1,740
Lewis Center, OH	76,024		1,056	5,206	141	1,056	5,346	6,402
Middleburg Heights, OH	93,200		63	704	2,316	332	2,352	2,684
North Olmsted I, OH	48,672		63	704	1,520	214	1,737	1,951
North Olmsted II, OH	47,850		290	1,129	1,229	469	2,032	2,501
North Randall, OH	80,297		515	2,323	3,246	898	4,303	5,201
Reynoldsburg, OH	67,245		1,290	3,295	338	1,295	3,178	4,473
Strongsville, OH	43,683		570	3,486	418	570	3,071	3,641
Warrensville Heights, OH	90,281		525	766	3,249	935	3,417	4,352
Westlake, OH	62,750		509	2,508	260	508	2,379	2,887
Conshohocken, PA	81,285		1,726	8,508	174	1,726	8,682	10,408
Exton, PA	57,750		541	2,668	124	519	2,814	3,333
Langhorne, PA	64,938		1,019	5,023	343	1,019	5,366	6,385
Levittown, PA	76,130		926	5,296	1,267	926	4,842	5,768
Malvern, PA	18,848		2,959	18,198	1,657	2,959	19,853	22,812
Montgomeryville, PA	84,145		975	4,809	221	975	5,029	6,004

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Norristown, PA	61,746		662	3,142	776	638	4,048	4,686
Philadelphia I,								
PA	96,016		1,461	8,334	1,913	1,461	6,904	8,365
Philadelphia II,								
PA	68,279		1,012	4,990	163	1,012	5,153	6,165
Exeter, RI	41,275		547	2,697	126	547	2,823	3,370
Johnston, RI	77,275		1,061	5,229	101	1,061	5,331	6,392
Wakefield, RI	45,745		823	4,058	50	823	4,108	4,931
Woonsocket, RI	72,900		1,049	5,172	143	1,049	5,315	6,364
Antioch, TN	75,985		588	4,906	350	588	4,489	5,077
Nashville I, TN	107,850		405	3,379	773	405	3,563	3,968
Nashville II, TN	83,174		593	4,950	221	593	4,476	5,069
Nashville III, TN	101,525		416	3,469	289	416	3,425	3,841
Nashville IV, TN	102,450		992	8,274	377	992	7,409	8,401
Nashville V, TN	74,560	2,411	895	4,311	802	895	5,113	6,008
Nashville VI, TN	72,436		2,749	8,443	97	2,749	8,539	11,288
Allen, TX	62,170		714	3,519	113	714	3,632	4,346
Austin I, TX	59,645		2,239	2,038	275	2,239	1,964	4,203
Austin II, TX	64,415	(A)	734	3,894	377	738	3,709	4,447
Austin III, TX	70,585		1,030	5,468	326	1,035	5,135	6,170
Austin IV, TX	65,308		862	4,250	332	862	4,582	5,444
Austin V, TX	67,850		1,050	5,175	240	1,050	5,415	6,465
Austin VI, TX	62,850		1,150	5,669	262	1,150	5,932	7,082
Austin VII, TX	71,023		1,429	6,263	132	1,429	6,394	7,823
Austin VIII, TX	61,075		2,935	7,007	49	2,935	7,057	9,992
Bryan, TX	60,400		1,394	1,268	561	1,396	1,592	2,988
Carrollton, TX	77,380		661	3,261	137	661	3,398	4,059
Cedar Park, TX	88,700		3,350	7,950	39	3,350	7,989	11,339
College Station,								
TX	26,550		812	740	199	813	752	1,565
Cypress, TX	58,161		360	1,773	145	360	1,919	2,279
Dallas I, TX	58,582		2,475	2,253	482	2,475	2,288	4,763
Dallas II, TX	76,673		940	4,635	229	940	4,864	5,804
Dallas III, TX	83,427		2,608	12,857	253	2,608	13,110	15,718
Dallas IV, TX	114,550		2,369	11,850	65	2,369	11,914	14,283
Dallas V, TX	54,499		—	11,604	84	—	11,689	11,689
Denton, TX	60,846		553	2,936	305	569	2,746	3,315
Fort Worth I, TX	50,416		1,253	1,141	353	1,253	1,256	2,509
Fort Worth II, TX	72,900		868	4,607	392	874	4,331	5,205
Fort Worth III,								
TX	80,445		1,000	4,928	128	1,000	5,057	6,057
Fort Worth IV,								
TX	77,329		1,274	7,693	31	1,274	7,724	8,998
Frisco I, TX	50,854		1,093	3,148	193	1,093	2,883	3,976
Frisco II, TX	71,599		1,564	4,507	202	1,564	4,093	5,657
Frisco III, TX	74,665		1,147	6,088	572	1,154	5,850	7,004
Frisco IV, TX	75,175		719	4,072	281	719	3,795	4,514
Frisco V, TX	74,415		1,159	5,714	133	1,159	5,846	7,005
Frisco VI, TX	69,176		1,064	5,247	170	1,064	5,417	6,481
Garland I, TX	70,100		751	3,984	590	767	3,981	4,748
Garland II, TX	68,425		862	4,578	297	862	4,278	5,140

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Grapevine, TX	78,019	1,211	8,559	112	1,211	8,671	9,882
Houston III, TX	61,590	575	524	388	576	799	1,375
Houston IV, TX	43,750	960	875	677	961	1,352	2,313
Houston V, TX	124,279	1,153	6,122	1,336	991	6,709	7,700
Houston VI, TX	54,690	575	524	5,783	983	4,985	5,968
Houston VII, TX	46,991	681	3,355	179	681	3,534	4,215
Houston VIII, TX	54,209	1,294	6,377	375	1,294	6,753	8,047
Houston IX, TX	51,208	296	1,459	129	296	1,588	1,884
Humble, TX	70,702	706	5,727	95	706	5,822	6,528
Katy, TX	71,308	1,329	6,552	84	1,329	6,637	7,966
Keller, TX	88,060	1,330	7,960	316	1,331	7,660	8,991
Lewisville I, TX	67,340	476	2,525	418	492	2,506	2,998
Lewisville II, TX	127,659	1,464	7,217	328	1,464	7,545	9,009
Lewisville III, TX	93,855	1,307	15,025	175	1,307	15,201	16,508
Little Elm I, TX	60,065	892	5,529	127	892	5,657	6,549
Little Elm II, TX	96,896	1,219	9,864	83	1,219	9,948	11,167
Mansfield I, TX	63,025	837	4,443	267	843	4,129	4,972

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Description	Square Footage	Encumbrances	Initial Cost		Costs Subsequent to Acquisition	Gross Carrying Amount at December 31, 2017		Total
			Land	Buildings & Improvements		Land	Buildings & Improvements	
Mansfield II, TX	57,375		662	3,261	144	662	3,405	4,067
Mansfield III, TX	70,920		947	4,703	166	947	4,870	5,817
McKinney I, TX	47,020		1,632	1,486	213	1,634	1,459	3,093
McKinney II, TX	70,050		855	5,076	227	857	4,677	5,534
McKinney III, TX	53,750		652	3,213	69	652	3,281	3,933
North Richland Hills, TX	57,200		2,252	2,049	254	2,252	1,924	4,176
Pearland, TX	72,050		450	2,216	359	450	2,576	3,026
Richmond, TX	102,330		1,437	7,083	157	1,437	7,240	8,677
Roanoke, TX	59,300		1,337	1,217	171	1,337	1,161	2,498
San Antonio I, TX	73,329		2,895	2,635	358	2,895	2,460	5,355
San Antonio II, TX	73,155		1,047	5,558	223	1,052	5,088	6,140
San Antonio III, TX	71,825		996	5,286	297	996	4,861	5,857
San Antonio IV, TX	61,500		829	3,891	145	829	4,037	4,866
Spring, TX	72,751		580	3,081	289	580	2,879	3,459
Murray I, UT	60,280		3,847	1,017	525	3,848	1,326	5,174
Murray II, UT	71,621		2,147	567	526	2,147	922	3,069
Salt Lake City I, UT	56,446		2,695	712	526	2,696	1,052	3,748
Salt Lake City II, UT	51,676		2,074	548	411	1,937	794	2,731
Alexandria, VA	114,100		2,812	13,865	235	2,812	14,101	16,947
Arlington, VA	96,143		6,836	9,843	94	6,836	9,938	16,774
Burke Lake, VA	91,467		2,093	10,940	1,184	2,093	10,528	12,621
Fairfax, VA	73,265		2,276	11,220	307	2,276	11,528	13,804
Fredericksburg I, VA	69,475		1,680	4,840	349	1,680	4,516	6,190
Fredericksburg II, VA	61,057		1,757	5,062	412	1,757	4,782	6,539

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Leesburg, VA	85,503	1,746	9,894	181	1,746	8,787	10,533
Manassas, VA	72,745	860	4,872	255	860	4,464	5,324
McLearen, VA	69,385	1,482	8,400	226	1,482	7,471	8,953
Vienna, VA	55,111	2,300	11,340	147	2,300	11,487	13,787
Divisional Offices				374		374	374
	33,759,762	689,793	3,031,426	289,554	711,140	3,086,252	3,797,919

(A) This store is part of the YSI 33 Loan portfolio, with a balance of \$9,547 as of December 31, 2017.

(B) Depreciation on the buildings and improvements is recorded on a straight-line basis over their estimated useful lives, which range from five to 39 years.

Activity in storage properties during 2017 and 2016 was as follows (in thousands):

	2017	2016
Storage properties*		
Balance at beginning of year	\$ 3,998,180	\$ 3,467,032
Acquisitions & improvements	247,546	490,980
Fully depreciated assets	(53,903)	(61,232)
Dispositions and other	(9,179)	—
Construction in progress, net	(20,929)	101,400
Balance at end of year	\$ 4,161,715	\$ 3,998,180
Accumulated depreciation*		
Balance at beginning of year	\$ 671,364	\$ 594,049
Depreciation expense	135,732	138,547
Fully depreciated assets	(53,903)	(61,232)
Dispositions and other	(268)	—
Balance at end of year	\$ 752,925	\$ 671,364
Storage properties, net	\$ 3,408,790	\$ 3,326,816

\*These amounts include equipment that is housed at the Company's stores which is excluded from Schedule III above.