

2300

WHITE LANE

BAKERSFIELD, CA

THREE TENANT
NNN INVESTMENT
OPPORTUNITY



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TRAFFIC COUNTS: 29,732 CPD

HUGHES LANE

Carl's Jr.
CHARBROILED BURGERS





ALEX KOZAKOV
Senior Vice President
+1 213 613 3031
Lic. 01416489
alex.kozakov@cbre.com

PATRICK WADE
Senior Vice President
+1 213 613 3071
Lic. 01454690
patrick.wade@cbre.com

MATTHEW GREENBERG
Associate
+1 213 613 3544
Lic. 01968717
matthew.greenberg@cbre.com

RICHARD RIZIKA
+1 310 363 4870
Lic. 01044064
richard.rizika@cbre.com

CASEY METCALF
+1 310 363 4871
Lic. 01901071
casey.metcalf@cbre.com

WHITE LANE



EXECUTIVE SUMMARY





INVEST MENT HIGH LIGHTS

IDEAL 1031-EXCHANGE PROPERTY

- Long-Term Leases – Planet Fitness and Fallas Parades have new, long-term leases
- Low Management Responsibility – Only 3 existing tenants
- Delivered Free and Clear – New debt can be placed at today's attractive market rates to produce excellent cash on cash returns

STABLE INCOME INVESTMENT OPPORTUNITY WITH UPSIDE

- **High Credit Tenancy** – Leased to 3 national tenants with long term leases
 - **PLANET FITNESS:** (NYSE: PLNT) one of the largest and fastest-growing franchisors and operators of fitness centers in the United States by number of members and locations – Over 1,300 stores
 - **FALLAS PARADES:** the parent company, National Stores, Inc., is a private company operating discount pricing brands at over 350 stores including Factory 2-U, Fallas, Fallas Paredes, and Anna's Linen's
 - **SEARS OUTLET:** (Nasdaq: SHOS): With over 140 locations, Sears Outlet stores provide outlet-value products across a broad assortment of merchandise categories at prices that are significantly lower than manufacturers' suggested retail prices
- **Excellent Existing Cash Flow** – Priced at a 8.0% cap rate, the investment provides an attractive return and substantial spread to anticipated debt cost
- **Significant Upside Potential** – The property has over 10,000sf of vacant leasable space that can significantly boost NOI
- **Pad Development Potential** – With excess land and parking, there is potential to develop a pad building with frontage along White Lane (buyer to investigate)

HIGH TRAFFIC RETAIL CORRIDOR LOCATION WITH EXCELLENT ACCESS

- **Freeway Accessibility** – The property is ideally located at just off the 99 Freeway White Lane off-ramp/on-ramp
- **Shadow Anchored by Dominant Grocer** – The property enjoys cross-access with a Superior Grocers anchored shopping center, which shares similar customer profile base to subject property
- **Signalized Intersection** – Situated at the northeast corner of Hughes Lane and White Lane, the property boasts strong visibility and traffic counts exceeding 29,000 cars/day
- **Complimentary Tenant Mix** – The existing value-based tenant mix caters to the working class demographics of this trade area
- **Primary Retail Corridor** – The center is adjacent to a Superior Grocery anchored shopping center and several national tenants, including Wells Fargo, Verizon, Carl's Jr., McDonald's, Wells Fargo, Autozone, Foodsco, and more

STRONG REAL ESTATE FUNDAMENTALS

- **Priced Below Replacement Cost** – At just \$78/sf on improvements, the property will trade well below the estimated replacement cost, providing excellent intrinsic value to an investor
- **Low In-Place Rents** – The current average rent of \$7.68/sf/year is below prevailing market rents in the immediate area
- **Strong Demographics** – Over 158,000 people in a 3-mile radius with an average household income exceeding \$53,000
- **Growing Population** – Bakersfield has enjoyed strong population growth of over % since 2000



OFFERING ING SUMMARY

2300 WHITE LANE BAKERSFIELD, CA

PURCHASE PRICE

\$9,999,000

LOCATION

2300 White Lane
Bakersfield, CA

CURRENT NOI

\$801,192

CURRENT CAP RATE

8.0%

STABILIZED NOI

\$892,000

STABILIZED CAP RATE

8.92%

TOTAL GLA (SF)

127,311 SF

TOTAL LAND (SF)

495,277 SF

APN

405-010-56-00

TRAFFIC COUNTS

White Lane - 29,732 VPD



Shadow Anchored to Dominant Grocery Store



99

99

WHITE LANE



STARBUCKS



Sears
Outlet-Stores



SUPERIOR
GROCCERS



Check n Go

MoneyGram

BANK



BANK



158,308

TOTAL **POPULATION**
WITHIN 3-MILE RADIUS



38,942

OF **EMPLOYEES**
WITHIN 3-MILE RADIUS



\$53,572

AVERAGE **HOUSEHOLD**
INCOME WITHIN 3-MILE
RADIUS



138,222

DAYTIME POPULATION
WITHIN 3-MILE RADIUS

SITE PLAN

SUPERIOR
GROCERS

Round
Table
PIZZA

El
Pollo
Loco

Payless
SHOESOURCE

SUBWAY

TEAL ST

FALLAS
FIRST PLACE TO SHOP... FIRST PLACE TO SAVE

Sears
Outlet Stores

planet
fitness

VACANT
10,576 SF

WHITE LN

NOT A PART

verizon

NOT A PART

Carl's Jr.
CLASSIC BURGERS

HUGHES LN





BAKERSFIELD OVERVIEW

Bakersfield is a city in California and the county seat of Kern County. It covers about 142 square miles near the southern end of the San Joaquin Valley and the Central Valley region. Bakersfield's population is approximately 365,000, making it the ninth-most populous city in California and the 52nd-most populous city in the nation. The Bakersfield–Delano Metropolitan Statistical Area, which includes all of Kern County, had a 2010 census population of 839,631, making it the 62nd largest metropolitan area in the United States. The more built-up urban area that includes Bakersfield and areas immediately around the city, such as East Bakersfield and Rosedale, has a population of approximately 464,000.

The city is a significant hub for both agriculture and oil production. Kern County is the most productive oil producing county, and the fourth most productive agricultural county (by value) in the United States. Industries include natural gas and other energy extraction, aerospace, mining, petroleum refining, manufacturing, distribution, food processing, and corporate/regional headquarters.

Between 1970 and 2010, Bakersfield grew 400% (from 70,000 to 347,483), making it one of the fastest growing cities in California.

Bakersfield's proximity to mountain passes, primarily the Tejon Pass on Interstate 5 between the Los Angeles metropolis and the central San Joaquin Valley, has made the city a regional transportation hub.

In 1990, Bakersfield was one of ten U.S. communities to receive the All-America City Award from the National Civic League.

In 2010, the Bakersfield MSA had a gross metropolitan product of \$29.466 billion, making it the 73rd largest metropolitan economy in the United States.

Bakersfield lies around 100 miles (160 km) north of Los Angeles (about a 1½-hour drive on I-5 and State Route 99) and about 300 mi (480 km) southeast of the state capitol, Sacramento (about a 4½-hour drive on State Route 99).



AREA OVERVIEW

ECONOMY

Bakersfield's historic and primary industries have related to Kern County's two main industries, oil and agriculture. Kern County is the most oil productive county in America, with around 10% of the nation's domestic production. Kern County is a part of the highly productive San Joaquin Valley, and ranks in the top five most productive agricultural counties in the nation. Major crops for Kern County include: grapes, citrus, almonds, carrots, alfalfa, cotton, and roses. The city serves as the home for both corporate and regional headquarters of companies engaged in these industries.

Bakersfield also has a growing manufacturing and distribution sector. Several companies have moved to Bakersfield because of its inexpensive land and access to the rest of America, as well as international ports in both Los Angeles and Oakland. Other companies have opened regional offices and non-oil/agricultural businesses because of Bakersfield's and Kern County's business friendly policies, such as having no local utility or inventory taxes. Products manufactured in the city include: ice cream (world's largest ice cream plant), central vacuums, highway paint, and stock racing cars.

Bakersfield is the largest city with the lowest sales tax in California at the state minimum of 7.25%.



TENANT OVER VIEW



PLANET FITNESS

Planet Fitness is one of the largest and fastest-growing franchisors and operators of fitness centers in the United States by number of members and locations, with a highly recognized national brand. The mission is to enhance people's lives by providing a high-quality fitness experience in a welcoming, non-intimidating environment, which is called the

Judgement Free Zone, where anyone can feel they belong.

The bright, clean locations are typically 20,000 square feet, with a large selection of high-quality, purple and yellow Planet Fitness-branded cardio, circuit- and weight-training equipment and friendly staff trainers who offer unlimited free fitness instruction to all our members in small groups through the PE@PF program. It offers the differentiated fitness experience at only \$10 per month for the standard membership. The exceptional value proposition is designed to appeal to a broad population, including occasional gym users and the approximately 80% of the U.S. and Canadian populations over age 14 who are not gym members, particularly those who find the traditional fitness club setting intimidating and expensive. Planet Fitness and their franchisees fiercely protect Planet Fitness' community atmosphere where progress toward achieving fitness goals, big or small, is supported and applauded by the staff and fellow members.

Type	Public
Industry	Health Club
Founded	1992
Number of Locations	1,300+
Website	www.planetfitness.com



FALLAS PAREDES

Fallas Paredes provides a value oriented family clothing store to the community by offering closeout deals from uniform manufactures, such as French Toast, in addition to offering a network of clothing and accessories for men, women, and children. The company was founded in 1993, by J&M Sales, Inc., and today operates as a subsidiary of National Stores, Inc.

National Stores Inc., established in 1962, is a family-owned business which began from a single store in downtown Los Angeles and has grown to more than 350 convenient locations in twenty-two states and Puerto Rico. It operates under the retail names of Fallas, Fallas Paredes, Fallas Discount Stores, Factory 2-U, Conway, CW Price, Falas (spelled with a single "l" in Puerto Rico), and Anna's Linen's by Fallas. It offers a large selection of quality brand name and private labeled clothing for men, women, boys, girls, juniors, infants, and toddlers along with lingerie, shoes, and home décor.

Type	Private
Industry	Retail
Founded	1962 - Los Angeles, CA
Founder	Joseph Fallas
Headquarters	Gardena, CA
Number of Locations	350+
Website	www.fallasstores.net

SEARS OUTLET



Sears Outlet stores are designed to provide in-store and online access to purchase outlet-value products across a broad assortment of merchandise categories, including home appliances, lawn and garden equipment, apparel, sporting goods, tools, household goods, and consumer electronics at prices that are significantly lower than manufacturers' suggested retail prices. Outlet-value products are generally covered by a manufacturer's warranty, and Sears Outlet also offers a full suite of product protection plans and services options.

Sears Outlet stores are independently owned and operated under license from Sears, Roebuck and Co. The SEARS mark is a service mark of Sears Brands, LLC

Type	Public
Industry	Retail
Founded	April 23, 2012
Headquarters	Hoffman Estates, IL
Number of Locations	143+
Website	www.searsoutlet.com

FINANCIAL ANALYSIS



EXECUTIVE SUMMARY

PROPERTY DESCRIPTION

Property Type	Retail
Property Address	2300 White Lane, Bakersfield, CA
Size of Improvements	127,311 SF
Currently Vacant as of 5/1/17	10,576 SF
Current Occupancy as of 5/1/17	91.69%
Projected Occupancy as of 9/1/17	91.69%

ACQUISITION AND RESIDUAL SUMMARY

Purchase Price as of September 1, 2017	\$79 PSF \$9,999,000		
	Year 1	Year 2	Year 3
Capitalization Rate	8.00%	8.92%	9.50%
Cash Return	7.75%	5.94%	9.24%
Leveraged Cash Return	9.83%	5.39%	13.52%
	3-Year	5-Year	7-Year
Average Capitalization Rate	8.81%	9.15%	10.08%
Average Cash Return	7.64%	6.83%	8.35%
Average Leveraged Cash Return	9.58%	7.58%	11.31%
Net Residual Value as of August 31, 2027	\$20,182,000		
Net Residual Per Square Foot	\$159		
Residual Capitalization Rate	8.25%		
Residual Cost of Sale	4.00%		
ALL CASH IRR	13.52%		



LEVERAGE SUMMARY ^[1]

	MARKET LOAN
Initial Loan Funding (as of Sep-17)	\$5,999,408
Loan-To-Value Ratio (Initial Funding)	60.00%
Funding Date	Sep-17
Maturity Date	Aug-27
Remaining Loan Term During Analysis	10.0 Years
Amortization Period	30 Years
Initial Interest Only Period (If Any)	-
Interest Rate	4.75%
Loan Constant	6.26%
Origination Fee on Initial Loan Funding	1.00%
Initial Debt Yield	13.33%
Debt Service Coverage Ratio (NOI)	2.13x
Debt Service Coverage Ratio (CF)	2.06x
Purchase Price as of September 1, 2017	\$9,999,013
Total Initial Loan Principal	(5,999,408)
Total Initial Loan Fees	59,994
Holdbacks and Escrows	0
Initial Equity	\$4,059,599
LEVERAGED IRR	20.81%

^[1] Leveraged analysis is based on financing that a particular investor may or may not be able to obtain.

SUMMARY OF FINANCIAL ASSUMPTIONS

GLOBAL

Analysis Period

Commencement Date	Sept. 1, 2017
End Date	Aug. 31, 2027
Term	10 Years

Area Measures

Building Square Feet (NRSF)	127,311 SF
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Growth Rates

Consumer Price Index (CPI)	3.00%
Other Income Growth Rate	3.00%
Operating Expenses	3.00%
Real Estate Taxes	2.00%
Market Rent Growth	
	CY 2018 - 3.00% \$1.03 PSF NNN
	CY 2019 - 3.00% \$1.06 PSF NNN
	CY 2020 - 3.00% \$1.09 PSF NNN
	CY 2021 - 3.00% \$1.13 PSF NNN
	CY 2022 - 3.00% \$1.16 PSF NNN
	CY 2023 - 3.00% \$1.19 PSF NNN
	CY 2024 - 3.00% \$1.23 PSF NNN
	CY 2025 - 3.00% \$1.27 PSF NNN
	CY 2026 - 3.00% \$1.30 PSF NNN
	CY 2027+ - 3.00% \$1.34 PSF NNN

General Vacancy Loss	5.00% ^[1]
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Capital Reserves (CY 2017 Value)	\$0.20 PSF ^[2]
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VACANT SPACE LEASING

Occupancy and Absorption

Projected Vacant at 9/1/17	10,576 SF
Currently Vacant as of 5/1/17	10,576 SF
Percentage Vacant at 5/1/17	8.31%
Absorption Period	12 Month(s)
Absorption Period Start Date	September 1, 2017
First Absorption Occurs On	September 1, 2018
Last Absorption Occurs On	September 1, 2018

Financial Terms

2017 Monthly Market Rent	\$1.00 PSF NNN
Rent Adjustment	2.00% Annually
Lease Term	10 Years
Expense Reimbursement Type	NNN
Rent Abatements	4 Month(s)
Tenant Improvements (\$/NRSF)	\$20.00 PSF
Commissions	6.00%

EXPENSES

Operating Expense Source	CY 2017 Forecast
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Management Fee (% of EGR)	3.00%
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Real Estate Taxes Reassessed	Yes ^[3]
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Millage Rate	1.141483%
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Special Assessments	\$970
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SECOND GENERATION LEASING

Retention Ratio	70%
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Financial Terms

2017 Monthly Market Rent	\$1.00 PSF NNN
Rent Adjustment	2.00% Annually
Lease Term	5 Years
Expense Reimbursement Type	NNN

Tenanting Costs

Rent Abatements	
New	3 Month(s)
Renewal	0 Month(s)
Weighted Average	0.90 Month(s)

Tenant Improvements (\$/NRSF)

New	\$20.00 PSF
Renewal	\$10.00 PSF
Weighted Average	\$13.00 PSF

Leasing Commissions

New	6.00%
Renewal	3.00%
Weighted Average	3.90%

Downtime

New	9 Month(s)
Weighted Average	3 Month(s)

All market rates are stated on calendar-year basis.

[1] General Vacancy Loss factor includes losses attributable to projected lease-up, rollover downtime, and fixturing downtime. The following tenants are excluded from this loss factor for current lease terms only: FP Store 695.

[2] Capital Reserves do not inflate during the analysis.

[3] Real Estate Taxes have been reassessed at the estimated purchase price based on a millage rate of 1.141483% plus special assessments of \$970.

IN-PLACE AND PROJECTED NOI SUMMARY

SECOND GENERATION LEASING

	In-Place NOI Sep-17, Annualized	\$ PSF	Pro Forma NOI Sep-17 to Aug-18	\$ PSF
Size of Improvements		127,311 SF		127,311 SF
REVENUES				
Scheduled Base Rent				
Gross Potential Rent	\$1,023,060	\$8.04	\$1,025,599	\$8.06
Absorption & Turnover Vacancy	(126,912)	(1.00)	(129,450)	(1.02)
Base Rent Abatements	0	0.00	0	0.00
Total Scheduled Base Rent	896,148	7.04	896,149	7.04
Expense Reimbursements	175,440	1.38	178,251	1.40
TOTAL GROSS REVENUE	1,071,588 ^[1]	8.42	1,074,400	8.44
General Vacancy Loss	0	0.00	0	0.00
EFFECTIVE GROSS REVENUE	1,071,588	8.42	1,074,400	8.44
OPERATING EXPENSES				
Utilities	(24,252)	(0.19)	(24,743)	(0.19)
Repairs and Maintenance	(46,440)	(0.36)	(47,374)	(0.37)
Management Fee	(32,148)	(0.25)	(32,232)	(0.25)
Insurance	(52,452)	(0.41)	(53,501)	(0.42)
Real Estate Taxes	(115,104)	(0.90)	(116,629)	(0.92)
TOTAL OPERATING EXPENSES	(270,396) ^[2]	(2.12)	(274,479)	(2.16)
NET OPERATING INCOME	\$801,192	\$6.29	\$799,921	\$6.28
Capitalization Rate	8.01%		8.00%	
PURCHASE PRICE AS OF SEPTEMBER 1, 2017	\$9,999,013	\$78.54	\$9,999,013	\$78.54
In-Place Occupancy (At Start of Analysis With No Vacant Lease-Up)		91.69%		91.69%
Average Occupancy (Includes Vacant Lease-Up and Rollover)		-		91.69%

[1] In-Place Net Operating Income is calculated using contractual rents and expense reimbursements as of September 2017, Annualized (with no General Vacancy Loss). In-Place NOI does not include vacant lease-up revenue, downtime due to near-term expirations, or future rent increases for existing tenants.

[2] Real Estate Taxes are reassessed based on the sales price.



CASH FLOW PROJECTIONS

- [1] This figure takes into account vacancy/credit loss, absorption vacancy, turnover vacancy, and base rent abatements.
 [2] This figure does not include any amount related to expense reimbursements. Only Scheduled Base Rent and Fixed/CPI Increases are included in this calculation, which is based on the weighted-average physical occupancy during each fiscal year.
 [3] Based on 127,311 square feet.
 [4] Net Residual Value is calculated by dividing Year 11 NOI by the Residual Cap Rate of 8.25% and applying a 4.00% Cost of Sale.
 [5] Market Debt based on 60% Loan-to-Value, 4.75% Interest Rate, 30-Year Amortization, and 1.00% Loan Fee.

Fiscal Year Ending - August 31	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	
Physical Occupancy	91.69%	100.00%	100.00%	100.00%	91.66%	100.00%	100.00%	96.83%	98.42%	91.66%	90.17%	
Overall Economic Occupancy ^[1]	89.25%	93.23%	96.50%	96.47%	86.85%	96.31%	96.30%	96.29%	94.75%	87.67%	88.93%	
Weighted Average Market Rent	\$1.02	\$1.05	\$1.08	\$1.11	\$1.15	\$1.18	\$1.22	\$1.25	\$1.29	\$1.33	\$1.37	
Weighted Average In Place Rent ^[2]	\$0.64	\$0.66	\$0.70	\$0.72	\$0.72	\$0.85	\$0.86	\$0.87	\$0.92	\$0.90	\$1.29	
Total Operating Expenses PSF Per Year	\$2.16	\$2.23	\$2.29	\$2.35	\$2.40	\$2.52	\$2.58	\$2.64	\$2.72	\$2.75	\$2.94	
REVENUES	^[3] FY 2018 \$/SF/MO											
Scheduled Base Rent												
Gross Potential Rent	\$0.67	\$1,025,599	\$1,052,907	\$1,072,456	\$1,094,692	\$1,204,718	\$1,293,067	\$1,307,808	\$1,341,006	\$1,447,154	\$1,483,126	\$2,032,919
Absorption & Turnover Vacancy	(0.08)	(129,450)	0	0	0	(147,651)	0	0	(61,337)	(30,669)	(171,168)	(201,870)
Base Rent Abatements	0.00	0	(43,573)	0	0	(44,295)	0	0	0	(27,602)	(51,350)	(60,561)
Total Scheduled Base Rent	0.59	896,149	1,009,334	1,072,456	1,094,692	1,012,772	1,293,067	1,307,808	1,279,669	1,388,883	1,260,608	1,770,488
Expense Reimbursements	0.12	178,251	208,052	214,330	219,979	254,778	318,928	328,906	325,096	341,617	321,215	337,916
TOTAL GROSS REVENUE	0.70	1,074,400	1,217,386	1,286,786	1,314,671	1,267,550	1,611,995	1,636,714	1,604,765	1,730,500	1,581,823	2,108,404
General Vacancy Loss	0.00	0	(41,790)	(45,098)	(46,350)	0	(59,478)	(60,518)	(515)	(35,716)	0	0
EFFECTIVE GROSS REVENUE	0.70	1,074,400	1,175,596	1,241,688	1,268,321	1,267,550	1,552,517	1,576,196	1,604,250	1,694,784	1,581,823	2,108,404
OPERATING EXPENSES												
Utilities	(0.02)	(24,743)	(25,485)	(26,250)	(27,037)	(27,848)	(28,684)	(29,544)	(30,430)	(31,343)	(32,284)	(33,252)
Repairs and Maintenance	(0.03)	(47,374)	(48,795)	(50,259)	(51,766)	(53,319)	(54,919)	(56,567)	(58,264)	(60,012)	(61,812)	(63,666)
Management Fee	(0.02)	(32,232)	(35,268)	(37,251)	(38,050)	(38,026)	(46,576)	(47,286)	(48,127)	(50,844)	(47,455)	(63,252)
Insurance	(0.04)	(53,501)	(55,106)	(56,759)	(58,462)	(60,216)	(62,022)	(63,883)	(65,799)	(67,773)	(69,806)	(71,901)
Real Estate Taxes	(0.08)	(116,629)	(118,942)	(121,301)	(123,708)	(126,163)	(128,667)	(131,221)	(133,826)	(136,483)	(139,193)	(141,957)
TOTAL OPERATING EXPENSES	(0.18)	(274,479)	(283,596)	(291,820)	(299,023)	(305,572)	(320,868)	(328,501)	(336,446)	(346,455)	(350,550)	(374,028)
NET OPERATING INCOME	0.52	799,921	892,000	949,868	969,298	961,978	1,231,649	1,247,695	1,267,804	1,348,329	1,231,273	1,734,376
CAPITAL COSTS												
Tenant Improvements	0.00	0	(211,520)	0	0	(639,821)	0	0	0	(398,691)	(741,728)	(874,769)
Leasing Commissions	0.00	0	(60,734)	0	0	(118,140)	0	0	0	(73,616)	(136,957)	(161,522)
Capital Reserves	(0.02)	(25,462)	(25,462)	(25,462)	(25,462)	(25,462)	(25,462)	(25,462)	(25,462)	(25,462)	(25,462)	(25,462)
TOTAL CAPITAL COSTS	(0.02)	(25,462)	(297,716)	(25,462)	(25,462)	(783,423)	(25,462)	(25,462)	(25,462)	(497,769)	(904,147)	(1,061,753)
OPERATING CASH FLOW	\$0.51	\$774,459	\$594,284	\$924,406	\$943,836	\$178,555	\$1,206,187	\$1,222,233	\$1,242,342	\$850,560	\$327,126	\$672,623
ACQUISITION & RESIDUAL SALE												
Acquisition Cost	(\$9,999,013)	0	0	0	0	0	0	0	0	0	0	All Cash
Net Residual Value ^[4]	0	0	0	0	0	0	0	0	0	0	20,181,830	IRR
CASH FLOW BEFORE DEBT	(\$9,999,013)	\$774,459	\$594,284	\$924,406	\$943,836	\$178,555	\$1,206,187	\$1,222,233	\$1,242,342	\$850,560	\$20,508,956	13.52%
MARKET LOAN ^[5]												
Loan Funding / Payoff	5,999,408	0	0	0	0	0	0	0	0	0	(4,842,867)	
Loan Fees	(59,994)	0	0	0	0	0	0	0	0	0	0	Leveraged
Annual Debt Service	0	(375,549)	(375,549)	(375,549)	(375,549)	(375,549)	(375,549)	(375,549)	(375,549)	(375,549)	(375,549)	IRR
CASH FLOW AFTER DEBT	(\$4,059,599)	\$398,910	\$218,735	\$548,857	\$568,287	(\$196,994)	\$830,638	\$846,684	\$866,793	\$475,011	\$15,290,540	20.81%
NOI Return	8.00%	8.92%	9.50%	9.69%	9.62%	12.32%	12.48%	12.68%	13.48%	12.31%		
UNLEVERAGED Cash Return	7.75%	5.94%	9.24%	9.44%	1.79%	12.06%	12.22%	12.42%	8.51%	3.27%		
LEVERAGED Cash Return	9.83%	5.39%	13.52%	14.00%	-4.85%	20.46%	20.86%	21.35%	11.70%	-1.19%		
Debt Service Coverage Ratio (NOI)	2.13x	2.38x	2.53x	2.58x	2.56x	3.28x	3.32x	3.38x	3.59x	3.28x		
Debt Service Coverage Ratio (CF)	2.06x	1.58x	2.46x	2.51x	0.48x	3.21x	3.25x	3.31x	2.26x	0.87x		
Rolling - All Cash IRR	11.55%	11.87%	11.41%	10.55%	13.63%	13.05%	12.68%	12.89%	11.45%	13.52%		
Rolling - Leveraged IRR	20.00%	21.01%	19.64%	17.57%	23.16%	21.56%	20.52%	20.51%	17.98%	20.81%		

RENT ROLL

Suite	Tenant Name	Square Feet	% of Property	LEASE TERM			RENTAL RATES				RENT ABATEMENTS				Market	
				Begin	End	Begin	Monthly	PSF	Annually	PSF	Recovery Type	Month #	% Abated	Tenant Improvements	Leasing Commissions	Assumption / Market Rent
100	FP Store 695	50,070	39.33%	Sep-2017	Aug-2027	Current	\$22,500	\$0.45	\$270,000	\$5.39	NNN	-	-	-	-	Market
						Sep-2022	\$24,743	\$0.49	\$296,915	\$5.93					\$1.00 NNN	

Notes: Tenant currently owns the property and is assumed to sign a 10-year lease, with three 5-year options, that commences the same day as the analysis start date. Rent will increase by 10% every 5-years (Not Modeled).

200	Sears	42,455	33.35%	Jan-2014	Dec-2021	Current	\$32,549	\$0.77	\$390,586	\$9.20	MG13 (\$62,115) Tax Only	-	-	-	-	Market
						Jan-2019	\$35,804	\$0.84	\$429,645	\$10.12					\$1.00 NNN	

Notes: Tenant has two 5-year options at predetermined amounts (Not Modeled). Tenant has one termination option after year five if the tenant's gross sales do not exceed \$6,000,000 during the calendar months 36-47 (Not Modeled). Tenant reimburses taxes over a 2013 base year and is only responsible for increases in taxes due to sale once every 5-years.

300	Planet Fitness	24,210	19.02%	Jul-2015	Jun-2025	Current	\$19,630	\$0.81	\$235,563	\$9.73	NNN	-	-	-	-	Market
						Jul-2020	\$21,587	\$0.89	\$259,047	\$10.70					\$1.00 NNN	

Notes: Tenant has two 5-year options to extend the lease at \$11.77 sf/yr. (option 1) and \$12.95 sf/yr. (option 2) (Not Modeled). Tenant is only responsible for an increase in taxes due to sale once every 5-years. Tenant has a 5% cap over the previous year on increases in it's pro rata share of expenses.

400	Vacant	10,576	8.31%	Sep-2018	Aug-2028	Sep-2018	\$10,893	\$1.03	\$130,719	\$12.36	NNN	1-4	100%	\$20.00	\$5.74	Market
						Sep-2019	\$11,114	\$1.05	\$133,363	\$12.61				\$211,520	\$60,734	\$1.00 NNN
						Sep-2020	\$11,334	\$1.07	\$136,007	\$12.86					4.38%	
						Sep-2021	\$11,563	\$1.09	\$138,757	\$13.12						
						Sep-2022	\$11,792	\$1.12	\$141,507	\$13.38						
						Sep-2023	\$12,030	\$1.14	\$144,362	\$13.65						
						Sep-2024	\$12,268	\$1.16	\$147,218	\$13.92						
						Sep-2025	\$12,515	\$1.18	\$150,179	\$14.20						
						Sep-2026	\$12,762	\$1.21	\$153,140	\$14.48						
Sep-2027	\$13,017	\$1.23	\$156,208	\$14.77												
TOTALS / AVERAGES		127,311					\$74,679	\$0.64	\$896,149	\$7.68						

OCCUPIED SqFt	116,735	91.7%
VACANT SqFt	10,576	8.3%
TOTAL SqFt	127,311	100.0%

WEIGHTED-AVERAGE LEASE TERM REMAINING: 7.49 Years

DEMO GRAPHICS



POPULATION	1 MILE	3 MILES	5 MILES
2016 Population - Current Year Estimate	21,153	158,308	271,174
2021 Population - Five Year Projection	21,757	166,736	286,929
2010 Population - Census	20,748	149,263	252,010
2000 Population - Census	18,869	123,026	208,589
2010-2016 Annual Population Growth	0.31%	0.95%	1.18%
2016-2021 Annual Population Growth	0.56%	1.04%	1.14%



HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2016 Households - Current Year Estimate	6,310	46,486	82,604
2021 Households - Five Year Projection	6,443	48,444	86,462
2010 Households - Census	6,278	44,709	78,353
2000 Households - Census	6,234	40,294	68,967
2010-2016 Annual Household Growth	0.08%	0.63%	0.85%
2016-2021 Annual Household Growth	0.42%	0.83%	0.92%
2016 Average Household Size	3.33	3.39	3.26



JOB TYPE	1 MILE	3 MILES	5 MILES
2016 Employed Civilian Pop. 16+	7,818	61,891	108,563
White Collar	3,337	26,954	50,728
Services	1,501	12,639	22,243
Blue Collar	2,979	22,295	35,594



HOUSEHOLD INCOME	1 MILE	3 MILES	5 MILES
2016 Average Household Income	\$46,249	\$53,572	\$60,721
2021 Average Household Income	\$48,118	\$56,814	\$64,993
2016 Median Household Income	\$36,650	\$41,132	\$44,143
2021 Median Household Income	\$36,657	\$41,432	\$44,612
2016 Per Capita Income	\$14,068	\$15,947	\$18,725
2021 Per Capita Income	\$14,512	\$16,717	\$19,794



AGE	1 MILE	3 MILES	5 MILES
Age 0-4	2,024	15,003	25,076
Age 5-9	1,867	13,847	23,078
Age 10-14	1,756	13,206	21,876
Age 15-19	1,724	12,722	21,133
Age 20-24	1,886	13,850	22,918
Age 25-29	1,849	13,925	23,131
Age 30-34	1,485	11,854	20,304
Age 35-39	1,237	9,887	17,255
Age 40-44	1,150	8,947	15,721
Age 45-49	1,101	8,667	15,123
Age 50-54	1,117	8,583	14,993
Age 55-59	1,015	7,855	14,009
Age 60-64	804	6,369	11,507
Age 65-69	686	4,738	8,896
Age 70-74	575	3,403	6,224
Age 75-79	392	2,339	4,220
Age 80-84	258	1,539	2,807
Age 85 and Older	226	1,573	2,904
2016 Median Age	28.60	28.80	29.60



EDUCATION	1 MILE	3 MILES	5 MILES
2016 Population 25 and Over	11,897	89,679	157,095
Less than 9th Grade	2,088	14,798	24,707
9-12th Grade - No Diploma	1,687	12,147	19,071
High School Diploma	3,547	23,926	38,021
GED or Alternative Credential	630	4,012	6,357
Some College - No Degree	2,785	20,162	36,479
Associate`s Degree	445	5,246	10,207
Bachelor`s Degree	550	6,499	14,689
Graduate or Professional Degree	165	2,889	7,564



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2300
WHITE LANE
BAKERSFIELD, CA



ALEX KOZAKOV
Senior Vice President
+1 213 613 3031
Lic. 01416489
alex.kozakov@cbre.com

PATRICK WADE
Senior Vice President
+1 213 613 3071
Lic. 01454690
patrick.wade@cbre.com

MATTHEW GREENBERG
Associate
+1 213 613 3544
Lic. 01968717
matthew.greenberg@cbre.com

RICHARD RIZIKA
+1 310 363 4870
Lic. 01044064
richard.rizika@cbre.com

CASEY METCALF
+1 310 363 4871
Lic. 01901071
casey.metcalf@cbre.com

2300

WHITE LANE
BAKERSFIELD, CA



CBRE