

DOLLAR GENERAL®

CBRE

JO-ANN
stores inc.®



522 & 550 N. IMPERIAL AVENUE, EL CENTRO // OFFERING MEMORANDUM

Capital Markets | National Retail Investment Group - West

DOLLAR GENERAL®

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522 & 550 N. IMPERIAL AVENUE, EL CENTRO



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INVESTMENT SUMMARY

Offering Price	\$4,962,000
Cap Rate (Year 1)	7.75%
NOI (Year 1)	\$384,569
Current Occupancy	100%
Total Building Area	34,837 SF
Total Land Area	147,714 SF (3.37 Acres)
Website	www.nrigwest.com/522NImperial



INVESTMENT HIGHLIGHTS

High-Quality Retail Investment with Corporate Credit Tenancy

- **100%** leased to two (2) nationally recognized tenants and trade area appropriate tenancy, **Dollar General Market** and **Jo-Ann Fabric and Craft Stores**
- **Corporate signature lease with credit tenant; Dollar General** is the largest discount retailer in the US by number of stores with over 11,700 stores in 40 states
 - >> **Dollar General** (NYSE:DG) has a market capitalization of **\$21 billion**, a 2014 revenue of **\$18.46 billion** and an S&P rating of **BBB-**
- **Corporate signature lease with Jo-Ann Fabric and Craft Stores**, specialty retailer of crafts and fabrics operating over **830** locations nationwide

Stable Investment with Strong Income Growth

- Two recent “credit” **10-year leases** with Dollar General and Jo-Ann Fabric prove these tenants’ commitment to this location and trade area
- Limited **near-term rollover** risk due to recent long-term leases and remaining years of lease term
- Due to the embedded rental increases, the Net Operating Income is projected to increase over **\$72,000 (19%)** over the anticipated hold period
- Low in-place rents provide for a reduced basis in the property and future rental upside
- At \$142 PSF, the property will trade **below land-inclusive replacement cost** estimated to be \$265 PSF



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W. ADAMS AVENUE

N. IMPERIAL AVENUE



INVESTMENT HIGHLIGHTS (CONTINUED)

Low Management Hassle

- **High-quality, extensive renovation** (completed in **2013**); limiting near-term deferred maintenance or capital costs that diminish an investor's cash flow
- Renovations included completely gutting existing buildings, adding approximately 10,000 SF of space; replacing all mechanical, electrical, plumbing, roof, interior walls (not block walls or slabs) and improving the parking and landscaping areas
- Established, trade area appropriate tenancy with **high-credit on long-term leases**
- **Perfect for out-of-town investors due to in-place property management** - Seller is affiliated to a property management company with a 30-year operating history and will provide buyer with property management services for the property for 10-years **at no cost**

Excellent Retail Location in a Rapidly Growing Trade Area

- Superb location along Imperial Avenue, one of the major north/south arterials in the trade area
- Excellent access and visibility along Imperial Avenue and Adams Avenue (**49,000** cars per day)
- Situated in the primary retail hub of the trade area with a top tier line up of surrounding tenants including: **Costco, Target, Lowe's, Fallas Parades, Vons, O'Reilly Auto Parts, McDonald's, Carl's Jr., Jack in the Box, Church's Chicken** and many others
- Less than 10 miles from the US/Mexico border at Calexico, CA

Improving Demographics Ideally Suited Value-Focused Tenancy

- More than **19,100** people in a 1-mile radius with an Average Household Income exceeding **\$48,200**
- More than **51,600** people in a 3-mile radius with an Average Household Income exceeding **\$62,000**
- More than **70,700** people in a 5-mile radius with an Average Household Income exceeding **\$65,000**

Ideal 1031 Exchange Replacement Property

- **Long-term leases** with corporate/credit tenancy
- **100%** leased with stable income and increasing cash on cash returns
- **Recently renovated** limiting near-term capital costs
- **Potential to retain in-place management at no cost** – limited ownership oversight required
- **Deliverable debt-fee** - available for a **quick close** to accommodate 1031 exchange identification and closing periods

EL CENTRO, CA

El Centro is a city in and county seat of Imperial County. It is located in the far southeastern corner of California, near the major Southern California city of San Diego and the Mexican city of Mexicali. Founded in 1906, W. F. Holt and C.A. Barker purchased the land on which El Centro was eventually built for about \$40 an acre and invested \$100,000 in improvements. While the majority of the residents in this community are Hispanic, there is a diverse population with a wide array of interests. Many area residents live in both the United States and Mexico and go across the border frequently.

- El Centro is the center of one of Southern California's most promising new commercial and industrial regions. There are two international border crossings nearby for commercial and noncommercial vehicles.
- Covering 11 square miles El Centro is the largest city in Imperial County.
- The city's population was 42,598 at the 2010 census, up from 37,837 in 2000.
- El Centro has a desert climate and is the southernmost desert city below sea level in the continental United States.

ECONOMY

- As of 2009 the employment in El Centro is dominated by the local government, California state government, and federal government.
- El Centro is surrounded by thousands of acres of farmland that transformed the desert into one of the most productive farming regions in California with an annual crop production of over \$1 billion.
- The service and retail sectors account for 50% of the city's jobs, reflecting El Centro's emerging role as a regional administrative and commercial center since the early 1980's.
- El Centro's strategic location near rail lines and Highways 80 and 99

has been able to establish operations for more than 35 growers and shippers in the city.

Demographics:	El Centro	El Centro Metro	California
2015 Estimated Population	43,003	179,478	38,822,536
2020 Projected Population	43,535	185,600	40,505,730
2010 Census Population	42,598	174,528	37,253,956
2000 Census Population	37,837	142,360	33,871,636
Growth 2010-2015	0.95%	2.84%	4.21%
Growth 2015-2020	1.24%	3.41%	4.34%
2015 Estimated Median Age	32.39	32.25	36.16
2015 Estimated Average Age	35.36	35.14	37.55
2015 Estimated Households	13,391	51,196	13,097,549
2020 Projected Households	13,606	53,042	13,678,939
2010 Census Households	13,125	49,126	12,577,498
2000 Census Households	11,452	39,383	11,502,899
Growth 2010-2015	2.03%	4.21%	4.13%
Growth 2015-2020	1.60%	3.61%	4.44%

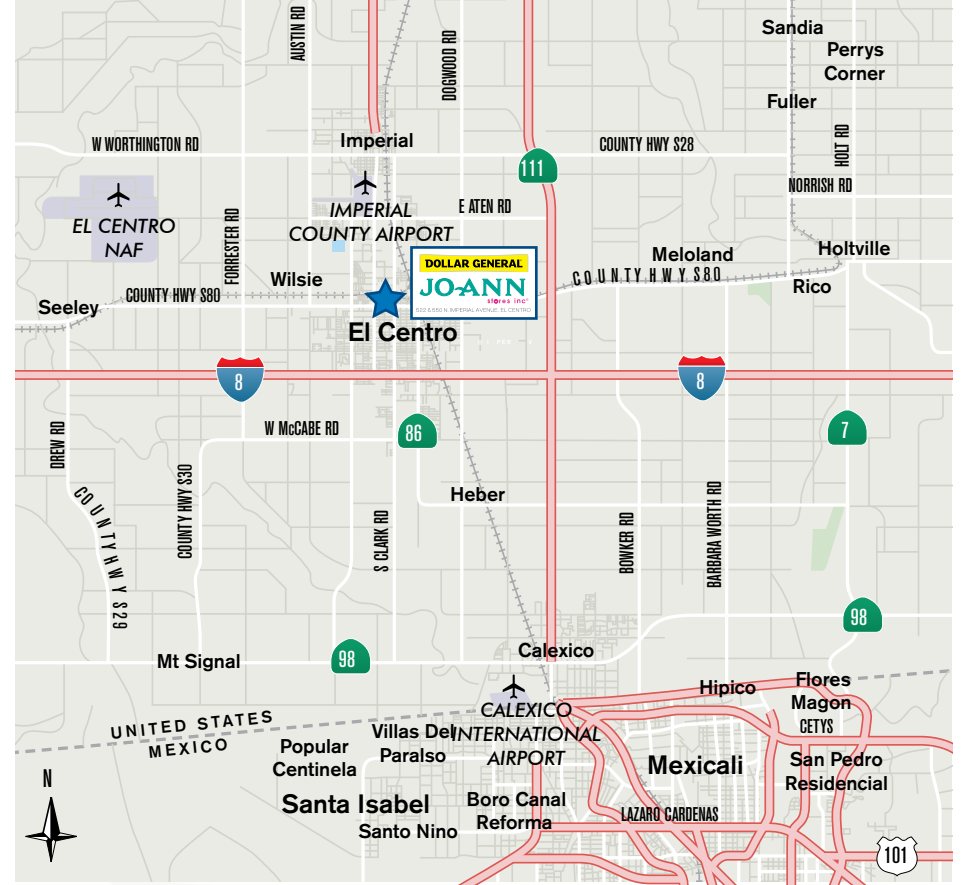
EL CENTRO MOST POPULAR JOBS:

Rank	Title	# of Local Jobs
1	Elementary school teachers	980
2	Secondary school teachers	780
3	Registered nurses	660
4	Compliance officers	640
5	Accountants and Auditors	300
6	Sales Representatives, wholesale and manufacturing	270
7	Special education teachers, preschool, kindergarten, and scientific products	240
8	Educational, vocational, and school counselors	160
9	Sales managers	140
10	Special education teachers, secondary school	140

- El Centro is accessible via Interstate 8, State Highway 86 and State Highway 111.
 - >> Interstate 8 connects San Diego to the west and Yuma, Arizona to the east.
 - >> State Route 86 and State Route 111 parallel each other as they go north to Brawley before running along the west and east shores of the Salton Sea, respectively, on their way to the Coachella Valley area.
- Going south from El Centro, State Route 86 terminates at State Route 111, which runs to Calexico and Mexicali, Mexico.
- More than 45,000 Imperial Valley residents use the public mass transportation operated by Imperial Valley Transit.
- The nearest large international airports are San Diego International Airport and Mexicali International Airport. Imperial County Airport is located in nearby Imperial, and service is subsidized by the Essential Air Service program.

EDUCATION

- El Centro has 11 elementary schools, three middle/junior high schools and three high schools.
- Imperial Valley College is a local two year college.
- An extension of San Diego State University located in Calexico, CA offers a variety of Bachelors and Masters Degrees.



DISTANCE TO	
Los Angeles	176 miles
San Diego	93 miles
San Francisco	510 miles
Phoenix	207 miles

DAILY TRAFFIC COUNTS

Intersection	N. IMPERIAL AVENUE	ADAMS AVENUE
Average Daily Traffic	36,000	21,000



IMPERIAL COUNTY

Imperial County is a county located in the Imperial Valley, in the far southeast of the U.S. state of California, bordering both Arizona and Mexico. It is part of the El Centro Metropolitan Area, which encompasses all of Imperial County. Imperial County is also part of the Southern California border region, also referred to as San Diego-Imperial, the smallest but most economically diverse region in the state.

- The entire valley is a multi-racial mixture of European Americans, East Asian Americans, South Asian Americans, some African Americans and Native Americans.
- The population as of 2010 was 174,528, with a projected growth of 2.84% this year, the population will reach 179,478.
- Imperial County is twice the size in total square miles as the State of Delaware, the county has a total area of 4,482 square miles.
- The Colorado River forms the county's eastern boundary.

Imperial County Demographics	
2015 Estimated Population	179,478
2020 Projected Population	185,600
2010 Census Population	174,528
2000 Census Population	142,360
Growth 2010-2015	2.84%
Growth 2015-2020	3.41%
2015 Estimated Median Age	32.25
2015 Estimated Average Age	35.14
2015 Estimated Households	51,196
2020 Projected Households	53,042
2010 Census Households	49,126
2000 Census Households	39,383
Growth 2010-2015	4.21%
Growth 2015-2020	3.61%

ECONOMY

- Agriculture is the largest industry in Imperial County and accounts for 48% of all employment.
- Imperial County has seen recent interest as a filming location, growth in servicing this industry include Star Wars Episode VI: Return of the Jedi, Stargate, The Scorpion King, and Into the Wild.
- Stirling Energy is currently building one of the world's largest solar thermal plants covering 10 square miles (26 square kilometers) with 38,000 "sun catchers." The plant will power up to 600,000 homes once fully operational in 2015.
- CalEnergy currently runs a geothermal plant generating enough power for 300,000 homes, with potential for up to 2.5 million homes by increasing capacity.

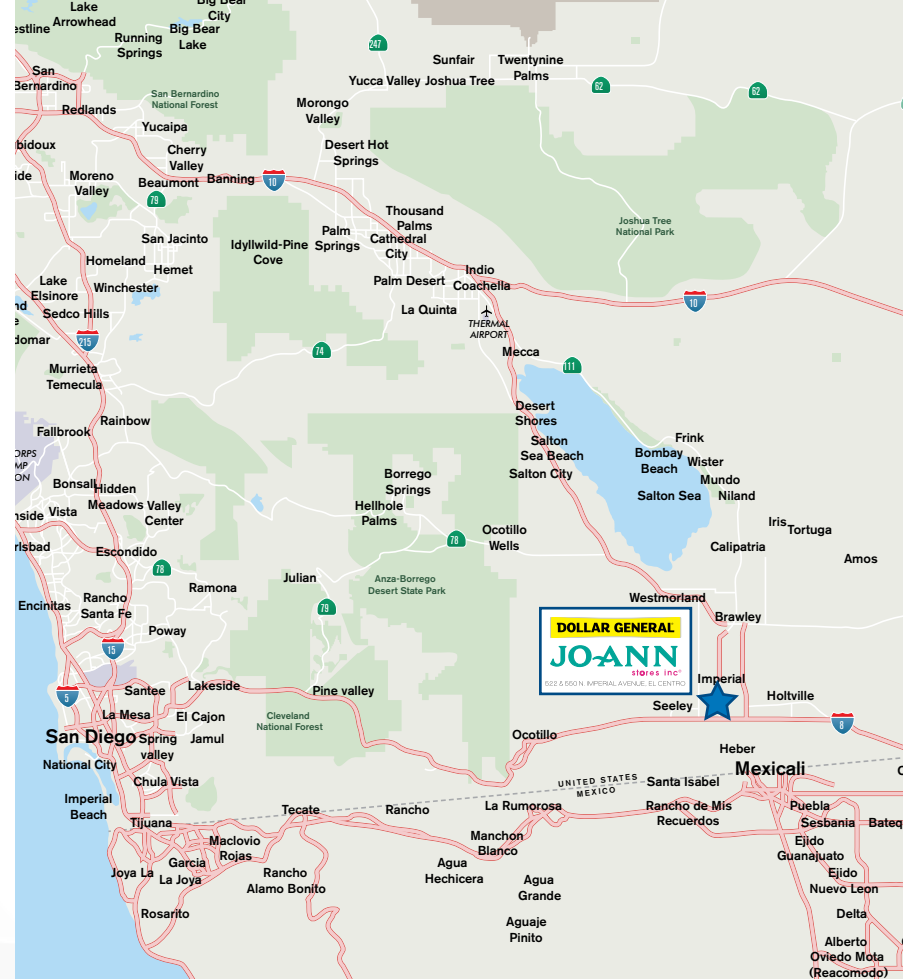


TRANSPORTATION

- Imperial County is at the junction of one interstate, and three state highways.
 - Interstate 8
 - State Route 98
 - State Route 7
 - State Route 111
 - State Route 78
 - State Route 115
 - State Route 86
 - State Route 186
- Imperial County is served by Greyhound Lines and Imperial Valley Transit buses.
- Imperial County Airport, the county's main airport, is a general aviation facility. It is located just north of El Centro, and has limited commercial flight service subsidized by the Essential Air Service program. Naval Air Facility El Centro is a U.S. Navy airfield in El Centro

TOP TOURIST ATTRACTIONS

- Held in March, El Centro historically kicks off the Blue Angels' season with their first air show of the year.
- Imperial County is home to the Imperial Valley Speedway, a race track of 3/8 mile.
- Colorado River, the river is a popular destination for water sports including fishing, boating, water-skiing, and jet-skiing.
- The border city of Mexicali, Baja California, Mexico offers big city amenities like museums, a zoo, a sports convention center, and an international airport. Visitors cross by foot or car from Calexico in the United States every day.



IMPERIAL COUNTY TOP EMPLOYERS

Employer	Employees
MAUI HARVESTING	3000
NATIONAL BEEF PACKING CO	1700
IMPERIAL IRRIGATION DISTRICT	1300
CALIPATRIA STATE PRISON	1200
CENTINELA STATE PRISON	1200
JJALL LC	800
EL CENTRO NAVAL AIR FACILITY	780
EL CENTRO REGIONAL MEDICAL CTR	750
PIONEERS MEMORIAL HOSPITAL	630
8 A PACKING LLC	600



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Welcome Jo-Ann 522

Handicap Accessible



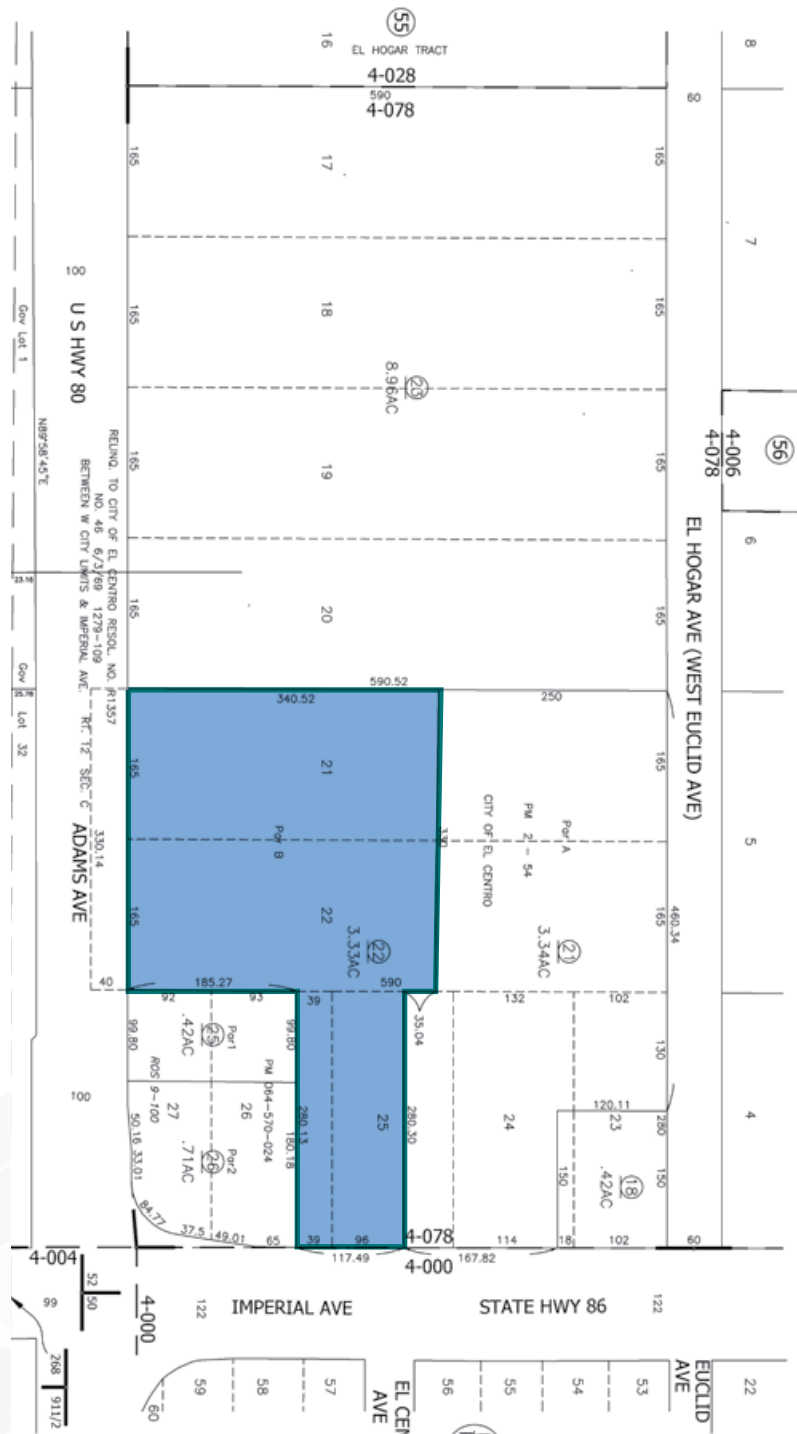
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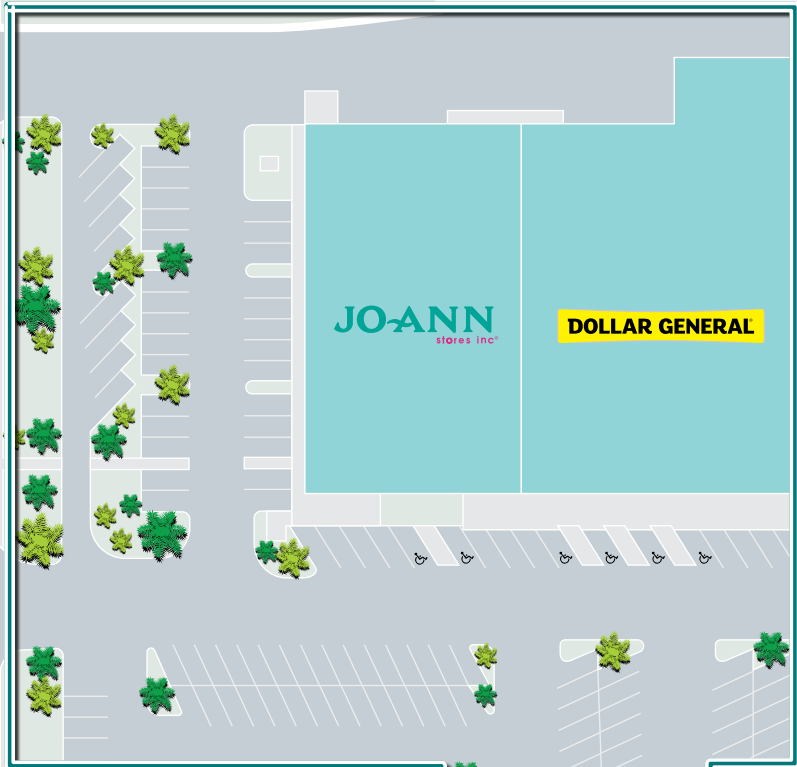
TOBACCO

PROPERTY DESCRIPTION

Location	522 & 550 N. Imperial Avenue, El Centro, CA
Site	The subject is located at the NWC corner of N. Imperial Avenue and Adams Avenue.
Land Area	522 & 550 N. Imperial Avenue consists of one parcel (APN: 064-570-022) totaling approximately 3.37 acres or 146,714 of land area.
Building Area	The subject consists of one retail building totaling approximately 34,837 SF of net rentable area.
Frontage & Access	Access points into the center include two (2) entrances off Adams Street and two (2) entrances off N. Imperial Avenue.
Parking	522 & 550 N. Imperial Avenue provides 167 parking stalls which equates to 4.79:1,000 parking ratio.
Traffic Counts	N. Imperial Avenue.....±30.96 Adams Avenue.....±19.136
Built	The property was built in 1978 with a recent remodel completed in 2013.
Zoning	The subject site is currently zoned as CG – General Commercial.



ADAMS AVE



VACANT
(NAP)

Existing
Restaurant
(NAP)

Existing
Autoparts
(NAP)

W EUCLID AVE



N IMPERIAL AVE



TENANT OVERVIEW



DOLLAR GENERAL

Dollar General is a US discounting retailer operating convenient-sized stores that deliver everyday

low prices on products that families use every day. It operates approximately **11,700 stores** in **40 states**. Dollar General offers products including: Paper and cleaning products, such as paper towels, bath tissues, paper dinnerware, trash and storage bags, laundry and other home cleaning supplies, packaged food products, including perishables consisting of milk, eggs, bread, frozen meals, beer, and wine, snacks, such as candy, cookies, crackers, pet products, tobacco products, over-the-counter medicines, carbonated beverages, health and beauty products, such as soap, body wash, shampoo, dental hygiene, and foot care products. The stores also carry seasonal products, apparel for the entire family, and automotive items.

The company was originally known as J.L. Turner & Son, Inc. and changed its name to Dollar General Corporation in 1968. Dollar General Corporation was founded in 1939 and is based in Goodlettsville, Tennessee.

Website	www.dollargeneral.com
Revenue	\$18.46 billion
Market Capitalization	\$21.67 billion
S&P Rating	BBB-
Headquarters	Goodlettsville, TN
Total Locations	11,700
Total Employees	100,600

LEASE ABSTRACT

Tenant:	Dolgen California, LLC dba Dollar General
Address:	550 N Imperial Ave, El Centro, CA 92243
Date Of Lease:	October 30, 2012
Rent Commencement:	October 4th, 2013
Lease Expiration:	October 31, 2023
Renewal Options:	Three (3) – five (5) year options
Rent/Yr:	Years 1-5: \$270,000 Years 6-10: \$290,000 Option 1: \$319,000 Option 2: \$351,000 Option 3: \$386,000
Permitted Use:	Any lawful retail purpose, subject to exclusive use rights granted to other tenants operating in the shopping center.
Insurance:	Tenant shall maintain general liability insurance with policy limits of \$2,000,000 per occurrence.
Real Estate Taxes:	Tenant shall pay its pro rata share of taxes.
Utilities:	Tenant shall be solely responsible for all utilities required, used or consumed in the premises.
Repairs and Maintenance:	Tenant shall be responsible for all interior, non-structural repairs to the premises, and HVAC. Landlord shall be responsible for all other repairs and maintenance to the premises and common area.
Tenant Assignment and Subletting:	Tenant may sublet or assign the premises at any time upon prior written notice to Landlord, provided the business which such subtenant or assignee proposes to conduct and actually conducts does not conflict with the use provisions set forth in Section 1.6 of the Lease, or the Exclusive Uses or Prohibited Uses.



Founded in 1943 as a single retail store, Jo-Ann fabric and craft stores is now the nation's largest specialty retailer of crafts and fabrics. Based in Hudson, Ohio it is a privately held company with over **830 locations** in **49 states**. It operates the retail chains Jo-Ann Fabrics and Jo-Ann Etc. offering an array of components, tools, and kits for crafters; and products for quilting, apparel, craft, and home décor sewing. Jo-Ann Stores, Inc. was formerly known as Fabric-Centers of America, Inc. and changed its name to Jo-Ann Stores, Inc. in September 1998. Jo-Ann Stores became the latest US chain to be targeted by a private-equity buy-out when it announced plans to sell to Leonard Green & Partners LP in January 2011 for \$1.6 billion. Today, Jo-Ann Stores, Inc. operates as a subsidiary of Jo-Ann Stores Holdings Inc. Forbes named Jo-Ann Stores #202 on their Forbes List of America's Largest Private Companies in 2013.

Jo-Ann Stores is in growth mode under this new ownership. The retailer expanded in Washington and Michigan by opening new stores.

Website	www.joann.com
Revenue	\$2.33 billion
Market Capitalization	Private
Headquarters	Hudson, OH
Total Locations	830
Total Employees	5,363

LEASE ABSTRACT

Tenant:	Jo-Ann Stores, Inc.
Address:	522 N. Imperial Avenue, El Centro, CA 92243
Date Of Lease:	May 8, 2013
Rent Commencement:	February 2, 2014
Lease Expiration:	January 31, 2025
Renewal Options:	Five (5) – five (5) year options
Termination Right:	If tenant's annual Gross Sales for the Premises during the 12-month period commencing on the first day of the 49th month of the Term and ending on the last day of the 60th month of the Term ("Threshold Period"), do not exceed \$110.00 per square foot (the "Threshold Sales"), then Tenant may terminate this Lease.
Co-Tenancy:	Ongoing co-tenancy means Anchor Tenant is open for business to the public during normal operating hours from substantially all the Anchor Tenant premises. If this requirement is not met for 30 days, Tenant may pay substitute rent until co-tenancy is met. If co-tenancy requirement is not met for 12 consecutive months, then Tenant has the right to terminate the lease by giving 90 days prior written notice within 30 days thereafter. Substitute rent is defined as 50% of the Fixed Minimum Rent.
Rent/Yr:	Years 1-5: \$165,000 Years 6-10: \$181,500 Option 1: \$199,650 Option 2: \$215,550 Option 3: \$232,800 Option 4: \$251,550 Option 5: \$271,650

LEASE ABSTRACT (CONTINUED)

Permitted Use:	Any lawful retail purpose, subject to exclusive use rights granted to other tenants operating in the shopping center.
Insurance:	Tenant shall maintain general liability insurance with policy limits of \$2,000,000 per occurrence.
Real Estate Taxes:	Tenant has no obligation to pay, or reimburse Landlord for, real estate taxes.
Utilities:	Tenant shall be solely responsible for all utilities required, used or consumed in the premises.
Repairs and Maintenance:	Tenant shall be responsible for all interior, non-structural repairs to the premises. Landlord shall be responsible for all other repairs and maintenance to the premises and common area.
Tenant Assignment and Subletting:	Tenant has the right to assign this Lease or sublet all or any part of the Premises for any lawful retail use without Landlord's prior written consent, provided that such use does not violate any exclusive rights granted to other tenants in the Shopping Center.



ASSUMPTIONS

GLOBAL

Analysis Period	
Commencement Date	November 1, 2015
End Date	October 31, 2025
Term	10 Years

Area Measures	
Building Square Feet (SF)	34,837 SF

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 2016 - 3.00%
	CY 2017 - 3.00%
	CY 2018 - 3.00%
	CY 2019 - 3.00%
	CY 2020 - 3.00%
	CY 2021 - 3.00%
	CY 2022 - 3.00%
	CY 2023 - 3.00%
	CY 2024 - 3.00%
	CY 2025+ - 3.00%

General Vacancy Loss	None
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Capital Reserves (CY 2015 Value)	\$0.15 PSF [1]
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EXPENSES

Operating Expense Source	2015 Budget
Management Fee	None
Real Estate Taxes Reassessed	Yes [2]
Millage Rate	1.146400%
Special Assessments	\$13

MARKET LOAN

Initial/Original Loan Funding	\$2,977,309
Loan-To-Price	60.00%
Funding Date	Nov-15
Maturity Date	Oct-25
Loan Term	10.0 Years
Amortization Period	30 Years
Initial Interest Only Period (If Any)	36 Months
Interest Rate	4.25%
Origination Fee on Initial Loan Funding	1.00%

For customized Debt Quotations, please contact:
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CBRE Debt & Equity Finance (DEF) is a division of CBRE Inc. In the US, DEF represents approximately 300 lenders including: banks, life insurance companies, pension funds, CMBS lenders and a variety of other lending sources. DEF also acts as a correspondent for over 200 life insurance companies. The Quote above is an approximation of available terms.

Existing Loan

Call listing team for details. The property has an existing loan which may be assumed. Existing loan terms are 1/10/15 commencement, approximately \$3,500,000 balance, 25 year amortization, 4.61% rate (resets on month 61), 12/10/24 maturity date, and 1% assumption fee.

SECOND GENERATION LEASING

Retention Ratio	75%
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Financial Terms	
2015 Monthly Market Rent	\$1.00 PSF
Rent Adjustment	10% Every 5 Years
Lease Term	10 Years
Expense Reimbursement Type	NNN

Tenanting Costs

Rent Abatements	[3]
New	3 Month(s)
Renewal	0 Month(s)
Weighted Average	0.75 Month(s)
Tenant Improvements (\$/SF)	
New	\$20.00 PSF
Renewal	\$4.00 PSF
Weighted Average	\$8.00 PSF
Commissions	[4]
New	6.00%
Renewal	1.20%
Weighted Average	2.40%
Downtime	
New	9 Month(s)
Weighted Average	2 Month(s)

Notes:

All market rent rates are stated on calendar-year basis

[1] Capital Reserves do not inflate during the term of the analysis

[2] Real Estate Taxes have been reassessed at the estimated purchase price based on a millage rate of 1.146400% plus special assessments of \$13.

[3] Rent Abatement includes NNN charges as well as base rent.

[4] Leasing Commissions are calculated by applying 100% of the rates shown above for lease years 1-5, and 50% of the above rates for lease years 6 and beyond.

CASH FLOW

Fiscal Year Ending - October 31	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Physical Occupancy	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Overall Economic Occupancy [1]	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Total Operating Expenses PSF Per Year	\$2.39	\$2.45	\$2.50	\$2.56	\$2.62	\$2.68	\$2.74	\$2.81	\$2.87	\$2.94	\$2.85

	[2]											
	FY 2016											
	\$/SF/MO											
Revenues												
Scheduled Base Rent												
Gross Potential Rent	\$1.04	\$435,000	\$435,000	\$436,667	\$467,375	\$471,500	\$471,500	\$471,500	\$471,500	\$500,500	\$514,113	\$518,650
Absorption & Turnover Vacancy	0.00	0	0	0	0	0	0	0	0	0	0	0
Base Rent Abatements	0.00	0	0	0	0	0	0	0	0	0	0	0
Total Scheduled Base Rent	1.04	435,000	435,000	436,667	467,375	471,500	471,500	471,500	471,500	500,500	514,113	518,650
Expense Reimbursements	0.08	32,939	33,598	34,270	34,955	35,654	36,367	37,094	37,836	38,592	39,024	37,490
TOTAL GROSS REVENUE	1.12	467,939	468,598	470,937	502,330	507,154	507,867	508,594	509,336	539,092	553,137	556,140
General Vacancy Loss	0.00	0	0	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS REVENUE	1.12	467,939	468,598	470,937	502,330	507,154	507,867	508,594	509,336	539,092	553,137	556,140
OPERATING EXPENSES												
Utilities	(0.01)	(3,690)	(3,801)	(3,915)	(4,032)	(4,153)	(4,278)	(4,406)	(4,538)	(4,674)	(4,815)	(4,959)
Repairs and Maintenance	(0.03)	(14,350)	(14,781)	(15,224)	(15,681)	(16,151)	(16,636)	(17,135)	(17,649)	(18,178)	(18,723)	(19,285)
Insurance	(0.02)	(7,483)	(7,707)	(7,938)	(8,176)	(8,422)	(8,674)	(8,934)	(9,203)	(9,479)	(9,763)	(10,056)
Real Estate Taxes	(0.14)	(57,847)	(59,003)	(60,183)	(61,387)	(62,614)	(63,866)	(65,143)	(66,446)	(67,774)	(69,130)	(70,502)
TOTAL OPERATING EXPENSES	(0.20)	(83,370)	(85,292)	(87,260)	(89,276)	(91,340)	(93,454)	(95,618)	(97,836)	(100,105)	(102,431)	(99,362)
NET OPERATING INCOME	0.92	384,569	383,306	383,677	413,054	415,814	414,413	412,976	411,500	438,987	450,706	456,778
CAPITAL COSTS												
Tenant Improvements	0.00	0	0	0	0	0	0	0	0	0	0	0
Leasing Commissions	0.00	0	0	0	0	0	0	0	0	0	0	0
Capital Reserves	(0.01)	(5,226)	(5,226)	(5,226)	(5,226)	(5,226)	(5,226)	(5,226)	(5,226)	(5,226)	(5,226)	(5,226)
TOTAL CAPITAL COSTS	(0.01)	(5,226)	(5,226)	(5,226)	(5,226)	(5,226)	(5,226)	(5,226)	(5,226)	(5,226)	(5,226)	(5,226)
OPERATING CASH FLOW	\$0.91	\$379,343	\$378,080	\$378,451	\$407,828	\$410,588	\$409,187	\$407,750	\$406,274	\$433,761	\$445,480	\$451,552
ACQUISITION & RESIDUAL SALE												
Purchase Price	(\$4,962,181)	0	0	0	0	0	0	0	0	0	0	All Cash
Net Residual Value [3]	0	0	0	0	0	0	0	0	0	0	5,447,290	IRR
CASH FLOW BEFORE DEBT	(\$4,962,000)	\$379,343	\$378,080	\$378,451	\$407,828	\$410,588	\$409,187	\$407,750	\$406,274	\$433,761	\$5,892,770	8.73%
MARKET LOAN [4]												
Loan Funding / Payoff	2,977,309	0	0	0	0	0	0	0	0	0	(2,576,828)	
Loan Fees	(29,773)	0	0	0	0	0	0	0	0	0	0	Leveraged
Annual Debt Service	0	(126,536)	(126,536)	(126,536)	(175,759)	(175,759)	(175,759)	(175,759)	(175,759)	(175,759)	(175,759)	IRR
CASH FLOW AFTER DEBT	(\$2,014,464)	\$252,807	\$251,544	\$251,915	\$232,069	\$234,829	\$233,428	\$231,991	\$230,515	\$258,002	\$3,140,184	14.31%
NOI Return		7.75%	7.72%	7.73%	8.32%	8.38%	8.35%	8.32%	8.29%	8.85%	9.08%	
UNLEVERAGED Cash Return		7.64%	7.62%	7.63%	8.22%	8.27%	8.25%	8.22%	8.19%	8.74%	8.98%	
LEVERAGED Cash Return [5]		12.81%	12.75%	12.76%	11.78%	11.92%	11.85%	11.78%	11.70%	13.07%	13.65%	
Rolling - All Cash IRR		N/M	3.81%	7.41%	7.75%	7.78%	7.80%	7.82%	8.47%	8.67%	8.73%	
Rolling - Leveraged IRR		N/M	2.30%	11.54%	12.49%	12.62%	12.68%	12.70%	13.98%	14.28%	14.31%	

[1] This figure takes into account vacancy/credit loss, absorption vacancy, turnover vacancy, and base rent abatements.

[2] Based on 34,837 square feet.

[3] Net Residual Value is calculated by dividing Year 11 NOI by the Residual Cap Rate of 8.05% and applying a 4.00% Cost of Sale.

[4] Market Debt based on 60% Loan-to-Value, 4.25% Interest Rate, 30-Year Amortization, 36 Months Interest Only and 1.00% Loan Fee.

[5] Leveraged Cash Return is based on NOI less debt service divided by equity including costs to stabilize.

RENT ROLL

Tenant Name	Square Feet	% of Property	Lease Term		Rental Rates				Recovery Type	Rent Abatements		Tenant Improvements	Leasing Commissions	Market Assumption / Market Rent		
			Begin	End	Begin	Monthly	PSF	Annually		PSF	Month #				% Abated	
Jo-Ann Stores	15,000	43.06%	Feb-2014	Jan-2025	Current		\$13,750	\$0.92	\$165,000	\$11.00	GROSS	-	-	-	-	Option
					Feb-2019		\$15,125	\$1.01	\$181,500	\$12.10						
Gross lease. Tenant has five (5) - five (5) year options to renew at fixed rent for each: 1st @ \$199,650 /yr, 2nd @ \$215,550 /yr, 3rd @ \$232,800 /yr, 4th @ \$251,550 /yr, 5th @ \$271,650 /yr (modeled below). Right to Terminate if Sales in 5th yr < \$110 PSF.																
			Feb-2025	Jan-2050	FUTURE		\$16,638	\$1.11	\$199,650	\$13.31	GROSS	-	-	-	-	Market
			OPTION			Feb-2030	\$17,963	\$1.20	\$215,550	\$14.37						\$1.00 NNN
						Feb-2035	\$19,400	\$1.29	\$232,800	\$15.52						
						Feb-2040	\$20,963	\$1.40	\$251,550	\$16.77						
						Feb-2045	\$22,638	\$1.51	\$271,650	\$18.11						
Assumes tenant exercises five (5) - five (5) year options with no leasing costs.																
Dollar General	19,837	56.94%	Oct-2013	Oct-2023	Current		\$22,500	\$1.13	\$270,000	\$13.61	Net Taxes Only	-	-	-	-	Option
					Oct-2018		\$24,167	\$1.22	\$290,000	\$14.62						
Tenant reimburses only for taxes. Tenant has three (3) - five (5) year options to renew at fixed rent for each: 1st @ \$319,000 /yr, 2nd @ \$351,000 /yr, 3rd @ \$386,000 /yr (modeled below).																
			Nov-2023	Oct-2038	FUTURE		\$26,583	\$1.34	\$319,000	\$16.08	Net Taxes Only	-	-	-	-	Market
			OPTION			Nov-2028	\$29,250	\$1.47	\$351,000	\$17.69						\$1.00 NNN
						Nov-2033	\$32,167	\$1.62	\$386,000	\$19.46						
Assumes tenant exercises three (3) - five (5) year options with no leasing costs.																
Totals / Averages	34,837						\$36,250	\$1.04	\$435,000	\$12.49						
Occupied Sf	34,837	100.0%														
Vacant Sf	0	0.0%														
Total Sf	34,837	100.0%														

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