



OFFERING MEMORANDUM



877 E H STREET (RANCHO DEL REY) CHULA VISTA, CA

CBRE

CAPITAL MARKETS
NATIONAL RETAIL PARTNERS



INVESTMENT SUMMARY

OFFERING PRICE	\$7,969,000
PRICE PSF	\$458
NOI (YEAR 1)	\$438,271
CAP RATE (YEAR 1)	5.50%
CURRENT OCCUPANCY	100%
TOTAL BUILDING AREA	±17,386 SF
TOTAL LAND AREA	±80,559 SF (±1.85 Acres)
PARKING	±4.3 Stalls per 1,000 SF
WEBSITE	www.nrpwest.com/cvpetsmart

INVESTMENT HIGHLIGHTS

STABLE, HIGH-CREDIT RETAIL INVESTMENT

- **High Credit SNTL** – 100% leased to national credit tenant, PetSmart, on a long-term **corporate lease**
 - » **PetSmart** – America’s largest specialty pet retailer employing **55,000** associates in its **1,600** stores in the US, Canada, and Puerto Rico, and has a reported revenue of **\$8 billion**, up 14% year over year (2016)
- **Internet Resistant Tenancy** – This PetSmart location features a Banfield Pet Hospital, which draws customers and pets to the store and enhances daily trips and foot traffic to the property
 - » **Banfield Pet Hospital** – Wholly-owned subsidiary of Mars, Inc., and operates **800** pet clinics in the US, Mexico and UK—it’s the largest privately-owned veterinary practice in the US, with an estimated annual revenue of **\$800 million**
- **Long-Term Lease** – PetSmart is on a **long-term 10-year lease** with four 5-year options to extend
- **Improving Returns** – Due to embedded increases (**10% every 5 years**), the Net Operating Income is projected to increase more than **\$95,000 (22%)** over the anticipated hold period, providing an inflation hedge compared to many “flat” STNL investments

LOW MANAGEMENT HASSLE

- **NNN Expense Pass Through** – PetSmart is on a NNN lease and includes **10% administrative recapture**—common area costs reside with the tenant, not the landlord
- **Corporate Lease** – National credit tenant on long-term lease makes this an ideal investment for an out of town investor
- **Coupon Clipper** – STNL asset on a NNN lease, **perfect for passive investors** looking to just “clip a coupon”

INVESTMENT HIGHLIGHTS (CONTINUED)

EXCELLENT RETAIL LOCATION

- **Regional Draw** – PetSmart is situated within the greater Paseo Corners, a 523,466 SF regional center, anchored by **Costco, Walmart, Home Depot, Ross Dress for Less, Jerome's Furniture and Discount Tire**
- **High-Identity, High-Traffic Location** – Ideal retail location along H. Street (**38,200 cars per day**), one of Chula Vista's **main arterials** for residents, commuters and tourists, alike
- **Residential and Commercial Density** – Proximity to both residential and commercial density keeps the property busy throughout the day
- **High Growth Trade Area** – Chula Vista's affluent and infill trade area enjoys continued populations growth and is purported to be among **San Diego County's fastest growing cities**

STRONG REAL ESTATE FUNDAMENTALS

- **High Barriers to Entry** – Supply constrained trade area with no sites available for development or redevelopment, creating a **high barrier of entry** for future competition
- **Brand-New Construction** – Discount Tire's brand-new construction will require **zero near-term capital requirements**
- **High-Image Project** – High-image building presents an inviting atmosphere for customers while providing excellent visibility in a pride of ownership investment

AFFLUENT, INFILL SAN DIEGO COUNTY

- More than **16,400** people in a 1-mile radius, with an Average Household Income exceeding **\$117,100**
- More than **148,600** people in a 3-mile radius, with an Average Household Income exceeding **\$104,400**
- More than **441,500** people in a 5-mile radius, with an Average Household Income exceeding **\$88,800**
- **Desirable San Diego County Location** – San Diego County's diverse economy, master-planned communities, temperate climate and high-quality of life make it one of the nation's most desirable locations for retailers in the country
- **Coveted Rancho del Rey Trade Area** – Discount Tire is situated in the highly desirable submarket of Rancho del Rey, boasting **strong incomes** in an **infill** San Diego County community

EXCELLENT ADDITION TO PORTFOLIO OR 1031 EXCHANGE UPLEG

- **Pride of Ownership Asset** – High-quality, new construction with **no deferred maintenance** that could drain an investor's cash flow
- **Low Management Offering** – SNTL national credit tenant on a long-term lease provides an excellent, low management, low hassle investment opportunity
- **Debt-Free** – PetSmart is offered free and clear of existing financing, allowing an investor an opportunity to customize debt to achieve optimal returns

“CHULA VISTA IS THE SECOND-LARGEST CITY IN SAN DIEGO COUNTY WITH A POPULATION OF OVER 269,500.”



EL CAJON

EXPLORER PARK

MT. SAN MIGUEL

DISCOVERY ELEMENTARY SCHOOL

REGAL CINEMAS

COSTCO WHOLESALE

COSTCO GASOLINE

AutoZone

WALMART

PETSMART
 877 E H STREET ■ CHULA VISTA, CA

24 FITNESS PIZZA PAPA JOHN'S Peppercorn Peppercorn
 rubio's BURGER KING Sun Country

H STREET (~38,200 CPD)








AREA OVERVIEW

CHULA VISTA

- The city of Chula Vista is located at the center of one of the richest cultural, economic and environmentally diverse zones in the United States. With a population of 272,300, it is the second-largest city in San Diego County. Chula Vista boasts more than 52 square miles of coastal landscape, canyons, rolling hills, mountains, quality parks, and miles of trails. Chula Vista is a leader in conservation and renewable energy, has outstanding public schools, and has been named one of the top safest cities in the country.
- Chula Vista has made exceptional advances in preparing the city for business expansion and attraction, collaborating with Baja California officials, and creating an environment for economic growth and prosperity. The city has established economic development initiatives that have created quality infrastructure, a strong consumer base and a well-educated and experienced workforce. Civic leaders are not stopping there; amassing a large volume of commercial/industrial development lands, pursuing a progressive business and employment investment policy, and completing acquisition of the 375-acre University Park and Innovation District site that will create even greater opportunities for businesses in the future.
- Millenia is a 210-acre multi-billion dollar urban-style development in the heart of the Otay Ranch Master Plan in Chula Vista. This area spans approximately 80 city blocks, which is roughly the size of downtown San Diego. Further, includes 3,000 multi-family residences, about 3.5 million SF of office, retail, hospitality (135-room Ayres Hotel), civic and mixed-use projects, six parks, library and school.

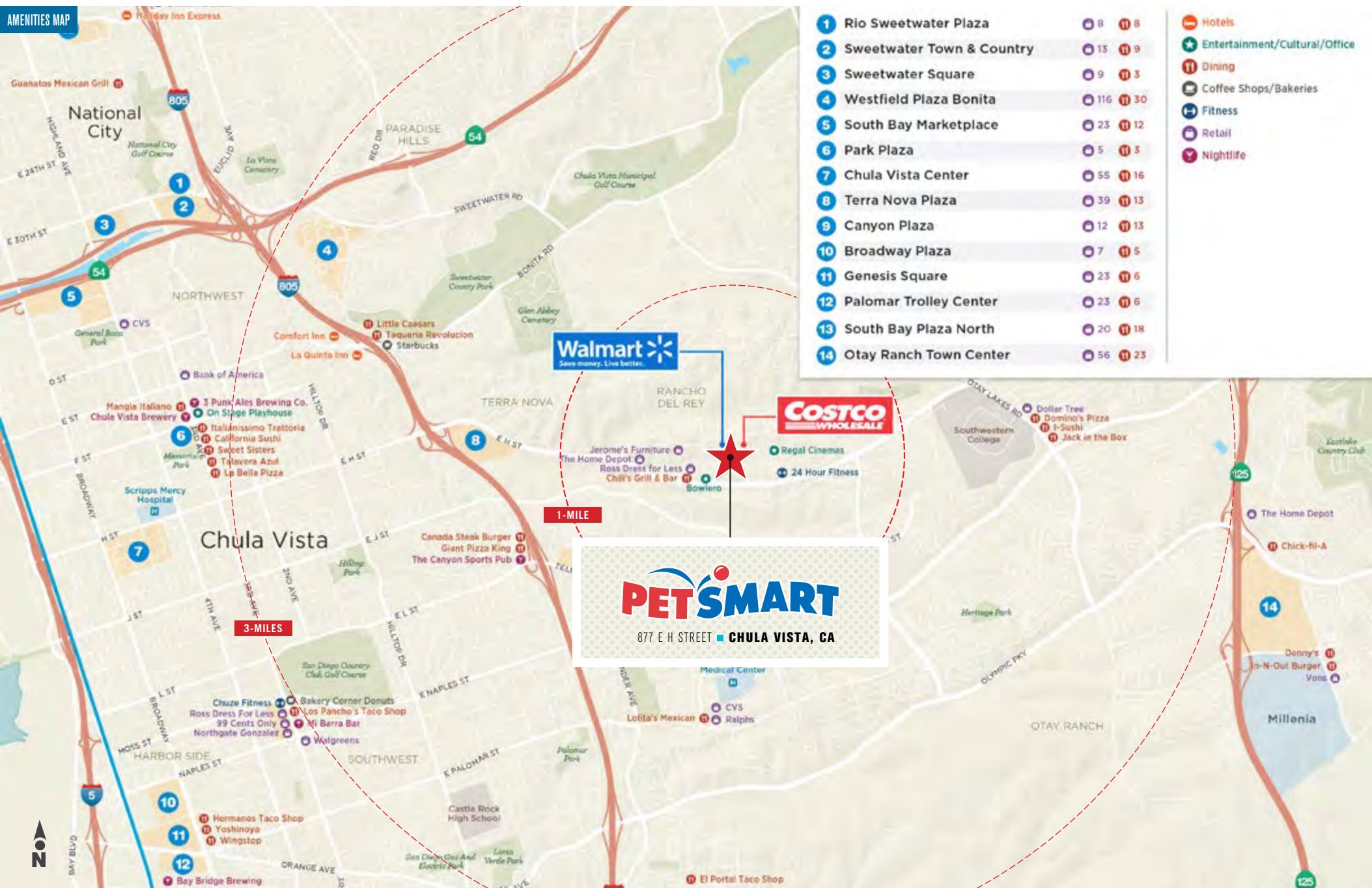
DEMOGRAPHICS

	CHULA VISTA	SAN DIEGO COUNTY
 2018 Estimated Population	272,387	3,344,185
 2023 Projected Population	287,335	3,499,878
 2018 Estimated Households	82,933	1,169,119
 2018 Average Household Income	\$93,472	\$101,373
 July 2018 Zillow Housing Estimates	\$533,100	\$584,100

- Chula Vista Bayfront Master Plan is a local and state-approved land use plan by the Port of San Diego and City of Chula Vista. The plan includes, 70-acres of new parks (100-acres total, including existing parks), 120-acres of open space, habitat replacement, wetlands and ecological buffers to protect wildlife habitat, shoreline promenade with walking trails and bike paths, 2,850 hotel rooms, 600,000 SF of restaurant, retail and marina-support uses, 220,000 SF of mixed-use commercial/marine related uses and 1,000+ stall parking facility
- As the city looks ahead to a projected population growth of 1.2% in the next 5 years, housing is well on its way to meet the new demand with 10 new housing communities and more than 3,400 new housing units projected for completion by Dec 2018.
- Established neighborhoods, contemporary communities, and affordable housing all contribute to Chula Vista's attraction for families looking to live in Southern California. Over the past 12 months the home values for the city have increased 9% and Zillow estimates it will go up another 10% within the following year.

For more information please visit <http://www.chulavistaca.gov/home> and <http://www.sandiegouniontribune.com/communities/south-county/sd-se-strata-park-1012-story.html>

AMENITIES MAP



PETSMART
877 E H STREET ■ CHULA VISTA, CA

AREA OVERVIEW (CONTINUED)

SAN DIEGO

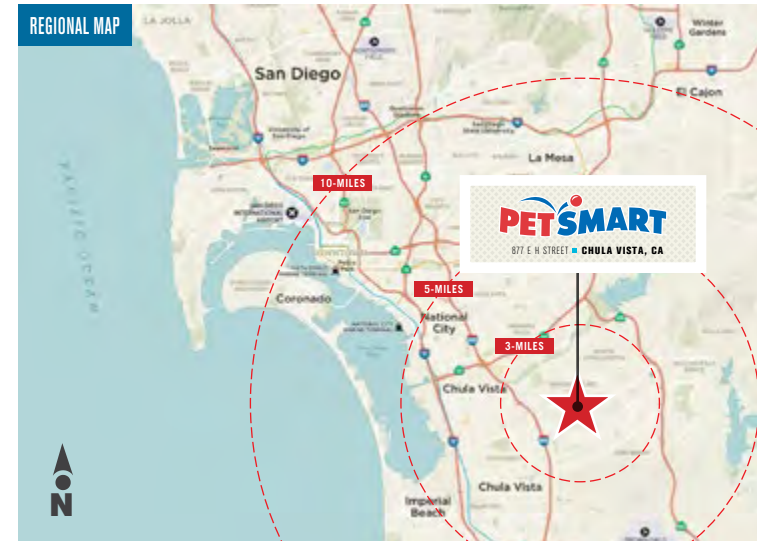
- San Diego County's nearly perfect year-around weather combined with a dynamic economy make the region one of the most desirable places to live and work in the United States. San Diego's quality of life and burgeoning economy attract residents, businesses and visitors from around the world. Over the last two decades, the San Diego region has developed its own progressive identity as a premier tourist destination as well as a leader in defense development, biotechnology, sustainable energy, wireless and telecommunications technologies, and electronics manufacturing.
- San Diego County encompasses 4,526 square miles, with approximately 3.3 million people with a projected growth of 3.4 million by 2023. San Diego County is the second largest county in the state and the fifth largest county in the country, by population.
- Over the past five years, regional access has increased dramatically with several improvements including the creation of the I-15 Reversible Lane Control System, a system that switches the direction of traffic in several lanes from the morning commute to the afternoon rush hour to accommodate the daily changes in the north/south flow of traffic on I-15.
- The Port of San Diego is comprised of 3,415 acres of land and 3,402 acres of water located within the cities of San Diego, National City, Chula Vista, Imperial Beach and Coronado. With 68,306 jobs located at the port tidelands, the Port of San Diego creates a direct economic impact of \$8.3 billion.
- Unlike markets such as Las Vegas or Phoenix, San Diego is land-constrained resulting in a limited availability of developable land. This land shortage raises high entry barriers for new real estate development but also creates a premium for land values.



PETCO PARK

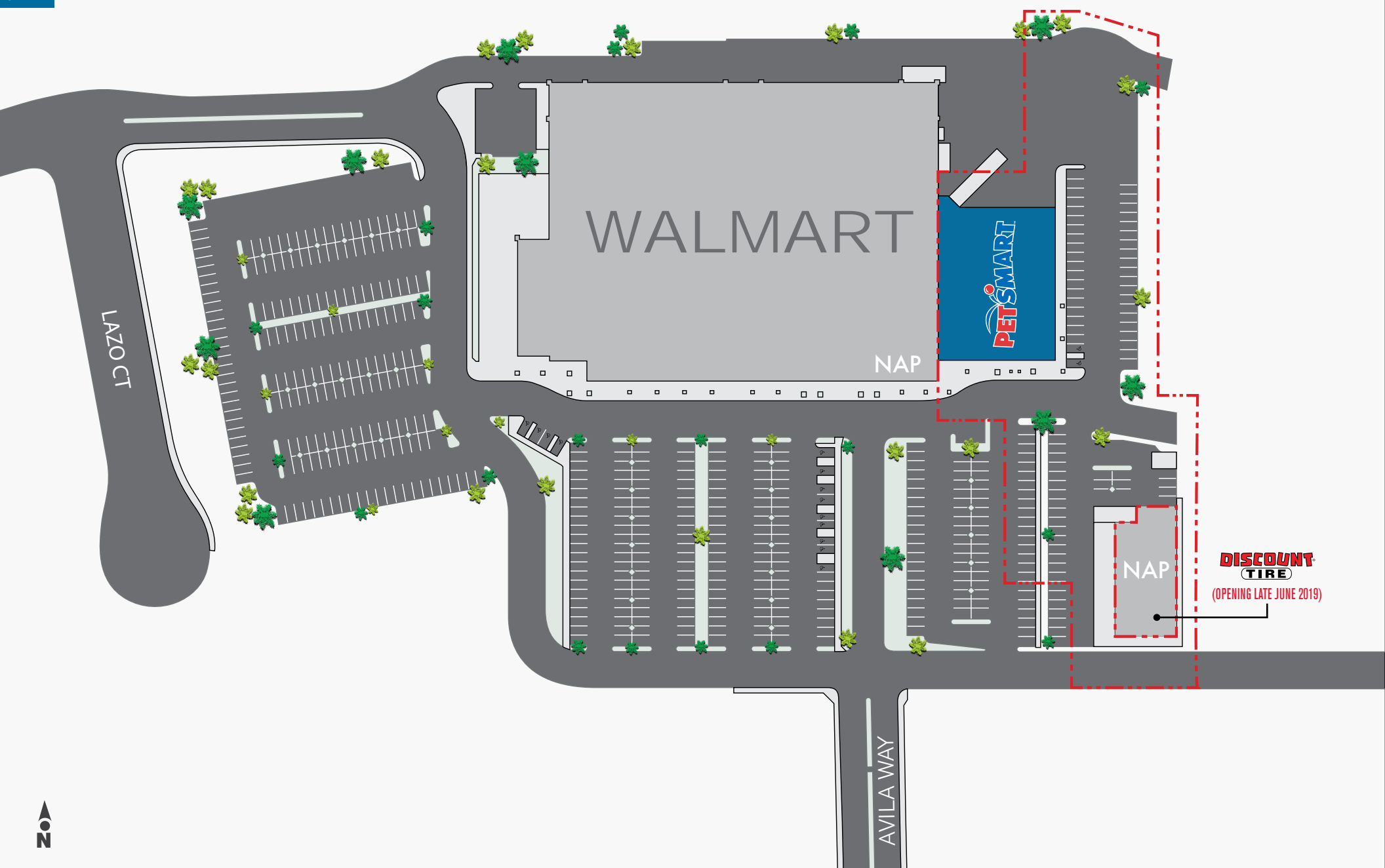


SAN DIEGO STATE UNIVERSITY



- The County's general purpose revenue (GPR) is projected to increase by 10%, with budgeted GPR of 1,319.6 million in fiscal year 2018 compared to 1,199.2 million budgeted in fiscal year 2017.
- Moving into 2018, San Diego economy is expected to break out of its 2.0-2.5% growth range, with GDP growth forecast at 2.7%. The Gross Domestic Product for San Diego county in 2016 accounted for more than 8% of California's GDP and 1% of the national GDP. San Diego remains the nation's 17th largest metro economy, with a higher GDP than most foreign nations. Source: Travel Forecast Dec 2017
- Tourism is San Diego's second largest traded industry (behind Research/Technology/Innovation), employing over 194,000 people- 13% of the jobs in the county. Travelers to the county spend \$10.8 billion at San Diego businesses and produce \$289 million in transient occupancy tax revenues that directly support San Diegan's quality of life.

For more information visit: <https://www.portofsandiego.org/>; <http://www.sandiego.org/industry-research.aspx#pxlAvhEu4Mo5TUu1.97>
<http://www.sandiegobusiness.org/industry/maritime>



PROPERTY OVERVIEW



LOCATION

877 E. H Street
Chula Vista, CA 91910



SITE

The PetSmart Store is located in Paseo Corners Shopping Center, along E. H Street in the city of Chula Vista, CA.



LAND AREA

The listing consists of 1 parcel (APN Pending Parcelization) totaling approximately ±1.85 acres or ±80,559 SF of land area.



BUILDING AREA

The subject consists of 1 existing retail building totaling approximately ±17,386 SF.



ACCESS

Access points into the center include 1 entrance off H Street, 1 entrance off Catalina Way, 1 entrance off Paseo Del Rey and 1 entrance off Tierra Del Rey.



PARKING

The PetSmart Store provides ±XX parking stalls, which equates to ±XX spaces per 1,000 SF parking ratio.



TRAFFIC COUNTS

H Street	±38,200
Paseo Del Rey	±13,100



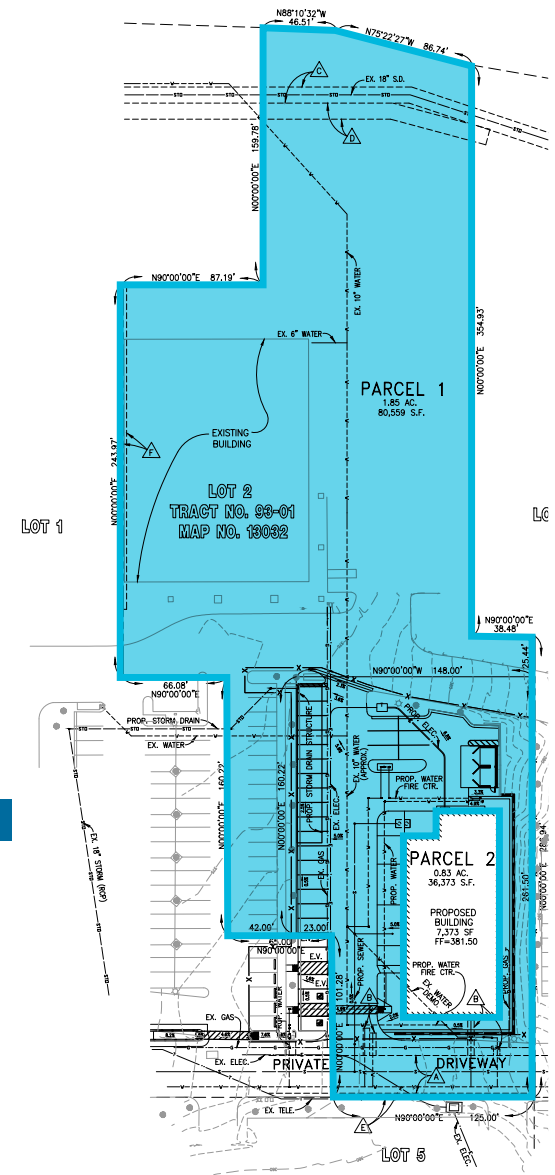
BUILT

PetSmart was built in 1994 with substantial renovations in 2016.



ZONING

Per the City of Chula Vista, the subject site is currently zoned as Commercial Shopping Center.



TENANT OVERVIEW

PETSMART

www.PetSmart.com

Founded in 1986, PetSmart, Inc. is the largest specialty pet retailer of services and solutions for the lifetime needs of pets. Every day with every connection, PetSmart's passionate associates help bring pet parents closer to their pets so they, together, can live more fulfilled lives. This vision impacts everything its employees do for its customers, the way we support our associates and how the company gives back to its communities. With over 55,000 associates, operating more than 1,500 pet stores in the United States, Canada and Puerto Rico, as well as more than 200 in-store PetSmart PetsHotel dog and cat boarding facilities.

Expert veterinarian care is available in more than 60% of PetSmart stores, where Banfield Pet Hospital, operates full-service pet hospitals. These in-store pet hospitals operate independently of PetSmart and employ more than 1,000 veterinarians who provide a full range of health care and emergency services. PetSmart holds a 21% equity interest in Medical Management International, Inc. (MMI), the operator of Banfield Pet Hospital. Along with nonprofit organizations, PetSmart Charities and PetSmart Charities of Canada, PetSmart helps to save the lives of more than 450,000 homeless pets each year. Every year, the company's groomers help style 8.8 million cats and dogs.

Ownership: Private
Employees: 55,000
Locations: 1,500
Headquarters: Phoenix, AZ



ASSUMPTIONS

GLOBAL

Analysis Period

Commencement Date	September 1, 2019
End Date	August 31, 2029
Term	10 Years

Area Measures

Building Square Feet (SF)	17,386 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 2020	-	3.00%
CY 2021	-	3.00%
CY 2022	-	3.00%
CY 2023	-	3.00%
CY 2024	-	3.00%
CY 2025	-	3.00%
CY 2026	-	3.00%
CY 2027	-	3.00%
CY 2028	-	3.00%
CY 2029+	-	3.00%

General Vacancy Loss	None
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Capital Reserves (CY 2019 Value)	\$0.25 PSF ⁽¹⁾
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Notes: All market rent rates are stated on calendar-year basis.

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

[2] Operating Expenses are based on the 2018 Budget grown by 3% for 2019.

AVAILABLE SPACE LEASING

Occupancy and Absorption

Projected Available at 9/1/19	0 SF
Currently Available as of 5/1/19	0 SF
Percentage Available at 5/1/19	0.00%

EXPENSES

Operating Expense Source	2018 Budget ⁽²⁾
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Management Fee (NR) (% of EGR)	None
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Real Estate Taxes Reassessed	Yes ⁽³⁾
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Millage Rate	1.122780%
Special Assessments	\$6,251

MARKET LOAN

Initial/Original Loan Funding	\$5,179,567
Loan-To-Price	65.00%
Funding Date	Sep-19
Maturity Date	Aug-29
Loan Term	10.0 Years
Amortization Period	30 Years
Initial Interest Only Period (If Any)	24 Months
Interest Rate	4.50%
Origination Fee on Initial Loan Funding	1.00%

FINANCING

For customized Debt Quotations, please contact:

BRUCE FRANCIS
+1 602 735 1781
Lic. BK-0018505
bruce.francis@cbre.com

SHAUN MOOTHART
+1 949 509 2111
Lic. 01773201
shaun.moothart@cbre.com

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.

SECOND GENERATION LEASING

Retention Ratio	80%
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Financial Terms

2019 Monthly Market Rent	\$2.10 PSF
Rent Adjustment	10% Every 5 Years
Lease Term	10 Years
Expense Reimbursement Type	NNN + 10% Ad CAM

Tenanting Costs

Rent Abatements ⁽⁴⁾	
New	3 Month(s)
Renewal	0 Month(s)
Weighted Average	0.60 Month(s)

Tenant Improvements (\$/SF)

New	\$25.00 PSF
Renewal	\$5.00 PSF
Weighted Average	\$9.00 PSF

Commissions ⁽⁵⁾

New	6.00%
Renewal	1.20%
Weighted Average	2.16%

Downtime

New	9 Month(s)
Weighted Average	2 Month(s)

[3] Real Estate Taxes have been reassessed at the estimated purchase price based on an estimated millage rate of 1.122780% plus special assessments of \$6,251.

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

[5] 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

CALENDAR YEAR	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
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	\$8.40	\$8.59	\$8.78	\$8.98	\$9.19	\$9.39	\$9.61	\$9.83	\$10.05	\$10.28	\$9.90
REVENUES											
	FY 2020 ⁽²⁾										
Scheduled Base Rent	\$/SF/MO										
Gross Potential Rent	\$2.08	\$434,650	\$434,650	\$463,627	\$478,115	\$478,115	\$478,115	\$478,115	\$509,990	\$525,927	\$525,927
Absorption & Turnover Vacancy	0.00	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
Total Scheduled Base Rent	2.08	434,650	434,650	463,627	478,115	478,115	478,115	478,115	509,990	525,927	525,927
Expense Reimbursements	0.72	149,677	153,074	156,554	160,121	163,774	167,519	171,356	175,287	179,317	181,387
TOTAL GROSS REVENUE	2.80	584,327	587,724	620,181	638,236	641,889	645,634	649,471	685,277	705,244	707,314
General Vacancy Loss	0.00	0	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS REVENUE	2.80	584,327	587,724	620,181	638,236	641,889	645,634	649,471	685,277	705,244	707,314
OPERATING EXPENSES											
CAM	(0.22)	(46,241)	(47,628)	(49,057)	(50,530)	(52,045)	(53,607)	(55,215)	(56,871)	(58,577)	(60,334)
Insurance	(0.01)	(2,902)	(2,989)	(3,079)	(3,171)	(3,266)	(3,364)	(3,465)	(3,569)	(3,676)	(3,786)
Real Estate Taxes	(0.46)	(96,913)	(98,727)	(100,576)	(102,463)	(104,387)	(106,350)	(108,352)	(110,394)	(112,476)	(114,601)
TOTAL OPERATING EXPENSES	(0.70)	(146,056)	(149,344)	(152,712)	(156,164)	(159,698)	(163,321)	(167,032)	(170,834)	(174,729)	(178,721)
NET OPERATING INCOME	2.10	438,271	438,380	467,469	482,072	482,191	482,313	482,439	514,443	530,515	528,593
CAPITAL COSTS											
Tenant Improvements	0.00	0	0	0	0	0	0	0	0	0	0
Leasing Commissions	0.00	0	0	0	0	0	0	0	0	0	0
Capital Reserves	(0.02)	(4,346)	(4,346)	(4,346)	(4,346)	(4,346)	(4,346)	(4,346)	(4,346)	(4,346)	(4,346)
TOTAL CAPITAL COSTS	(0.02)	(4,346)	(4,346)	(4,346)	(4,346)	(4,346)	(4,346)	(4,346)	(4,346)	(4,346)	(4,346)
OPERATING CASH FLOW	\$2.08	\$433,925	\$434,034	\$463,123	\$477,726	\$477,845	\$477,967	\$478,093	\$510,097	\$526,169	\$524,247
ACQUISITION & RESIDUAL SALE											
Purchase Price	(\$7,968,564)	0	0	0	0	0	0	0	0	0	All Cash
Net Residual Value ⁽³⁾	0	0	0	0	0	0	0	0	0	8,577,193	IRR
CASH FLOW BEFORE DEBT	(\$7,968,564)	\$433,925	\$434,034	\$463,123	\$477,726	\$477,845	\$477,967	\$478,093	\$510,097	\$526,169	\$9,101,440
MARKET LOAN ⁽⁴⁾											
Loan Funding / Payoff	5,179,567	0	0	0	0	0	0	0	0	0	(4,393,155)
Loan Fees	(51,796)	0	0	0	0	0	0	0	0	0	0
Annual Debt Service	0	(233,080)	(233,080)	(314,929)	(314,929)	(314,929)	(314,929)	(314,929)	(314,929)	(314,929)	(314,929)
CASH FLOW AFTER DEBT	(\$2,840,793)	\$200,845	\$200,954	\$148,194	\$162,797	\$162,916	\$163,038	\$163,164	\$195,168	\$211,240	\$4,393,356
NOI Return		5.50%	5.50%	5.87%	6.05%	6.05%	6.05%	6.05%	6.46%	6.66%	6.63%
UNLEVERAGED Cash Return		5.45%	5.45%	5.81%	6.00%	6.00%	6.00%	6.00%	6.40%	6.60%	6.58%
LEVERAGED Cash Return ⁽⁵⁾		7.22%	7.23%	5.37%	5.88%	5.89%	5.89%	5.90%	7.02%	7.59%	7.52%
Rolling - All Cash IRR		N/M	2.66%	4.70%	5.04%	5.24%	5.38%	6.24%	6.55%	6.48%	6.53%
Rolling - Leveraged IRR		N/M	N/M	4.42%	5.55%	6.21%	6.63%	8.86%	9.56%	9.36%	9.41%

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

[2] Based on 17,386 square feet.

[3] Net Residual Value is calculated by dividing Year 11 NOI by the Residual Cap Rate of 6.00% and applying a 3.50% Cost of Sale.

[4] Market Debt based on 65% Loan-to-Value, 4.50% Interest Rate, 30-Year Amortization, 24 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.

You are solely responsible for independently verifying the information in this Memorandum.
ANY RELIANCE ON IT IS SOLELY AT YOUR OWN RISK.

RENT ROLL

SUITE	TENANT NAME	SQUARE FEET	% OF PROPERTY	LEASE TERM		RENTAL RATES				RECOVERY TYPE	MARKET ASSUMPTION / MARKET RENT	
				BEGIN	END	BEGIN	MONTHLY	PSF	ANNUALLY			PSF
877	PetSmart	17,386	100.00%	Jan-2017	Dec-2026	Current	\$36,221	\$2.08	\$434,650	\$25.00	NNN + 10% Ad CAM	Option
						Jan-2022	\$39,843	\$2.29	\$478,115	\$27.50		\$2.10 NNN

Notes:

T has 4 - 5 yr opts at 110% of prior rent (modeled below). T has non-cumul. 5% cap on CAM, excl util, sec, trash, & capex (not hitting, not modeled). T has initial & ongoing co-tenancy w/ Walmart. T pays 50% BR & 100% CAM until the earlier of 365 days or Co-tenancy is satisfied. If not satisfied, T has the one-time right to term w/ 30 days notice.

				Jan-2027	Dec-2046	FUTURE	\$43,827	\$2.52	\$525,927	\$30.25	NNN + 10% Ad CAM	Market
						OPTION	Jan-2032	\$48,217	\$2.77	\$578,606	\$33.28	\$2.10 NNN
							Jan-2037	\$53,027	\$3.05	\$636,328	\$36.60	
							Jan-2042	\$58,330	\$3.36	\$699,960	\$40.26	

Notes:

Analysis assumes tenant exercises four (4) - five (5) year options with no leasing costs.

TOTALS / AVERAGES	17,386						\$36,221	\$2.08	\$434,650	\$25.00		
OCCUPIED SF	17,386	100.0%										
AVAILABLE SF	0	0.0%										
TOTAL SF	17,386	100.0%										



EXCLUSIVELY MARKETED BY

NRP-WEST

MEGAN WOOD

+1 949 725 8423
Lic. 01516027
megan.wood@cbre.com

SEAN HEITZLER

+1 949 725 8468
Lic. 02025087
sean.heitzler@cbre.co

PHILIP D. VOORHEES

+1 949 725 8521
Lic. 01252096
phil.voorhees@cbre.com

SAN DIEGO RETAIL PARTNER

REG KOBZI

+1 858 546 4604
Lic. 00917639
reg.kobzi@cbre.com

NRP-WEST TEAM

PHILIP D. VOORHEES (Team Leader)

Preston Fetrow	John Read
Kirk Brummer	Jimmy Slusher
John Eddy	Catherine Zhong
Megan Wood	James Tyrrell
Sean Heitzler	Matt Burson
Eric Shain	Trent Steeves

For all of our available listings, please visit:
WWW.CBRE.COM/NRPWEST

CBRE

CBRE-Newport Beach
3501 Jamboree Rd., Ste 100
Newport Beach, CA 92660
F + 1 949 725 8545

AFFILIATED BUSINESS DISCLOSURE

CBRE, Inc. operates within a global family of companies with many subsidiaries and related entities (each an "Affiliate") engaging in a broad range of commercial real estate businesses including, but not limited to, brokerage services, property and facilities management, valuation, investment fund management and development. At times different Affiliates, including CBRE Global Investors, Inc. or Trammell Crow Company, may have or represent clients who have competing interests in the same transaction. For example, Affiliates or their clients may have or express an interest in the property described in this Memorandum (the "Property"), and may be the successful bidder for the Property. Your receipt of this Memorandum constitutes your acknowledgement of that possibility and your agreement that neither CBRE, Inc. nor any Affiliate has an obligation to disclose to you such Affiliates' interest or involvement in the sale or purchase of the Property. In all instances, however, CBRE, Inc. and its Affiliates will act in the best interest of their respective client(s), at arms' length, not in concert, or in a manner detrimental to any third party. CBRE, Inc. and its Affiliates will conduct their respective businesses in a manner consistent with the law and all fiduciary duties owed to their respective client(s).

CONFIDENTIALITY AGREEMENT

Your receipt of this Memorandum constitutes your acknowledgement that (i) it is a confidential Memorandum solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property, (ii) you will hold it in the strictest confidence,

(iii) you will not disclose it or its contents to any third party without the prior written authorization of the owner of the Property ("Owner") or CBRE, Inc., and (iv) you will not use any part of this Memorandum in any manner detrimental to the Owner or CBRE, Inc.

If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return it to CBRE, Inc.

DISCLAIMER

This Memorandum contains select information pertaining to the Property and the Owner, and does not purport to be all-inclusive or contain all or part of the information which prospective investors may require to evaluate a purchase of the Property. The information contained in this Memorandum has been obtained from sources believed to be reliable, but has not been verified for accuracy, completeness, or fitness for any particular purpose. All information is presented "as is" without representation or warranty of any kind. Such information includes estimates based on forward-looking assumptions relating to the general economy, market conditions, competition and other factors which are subject to uncertainty and may not represent the current or future performance of the Property. All references to acreages, square footages, and other measurements are approximations. This Memorandum describes certain documents, including leases and other materials, in summary form. These summaries may not be complete nor accurate descriptions of the full agreements referenced. Additional information and an opportunity to inspect the Property

may be made available to qualified prospective purchasers. You are advised to independently verify the accuracy and completeness of all summaries and information contained herein, to consult with independent legal and financial advisors, and carefully investigate the economics of this transaction and Property's suitability for your needs. ANY RELIANCE ON THE CONTENT OF THIS MEMORANDUM IS SOLELY AT YOUR OWN RISK.

The Owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions at any time with or without notice to you. All offers, counteroffers, and negotiations shall be non-binding and neither CBRE, Inc. nor the Owner shall have any legal commitment or obligation except as set forth in a fully executed, definitive purchase and sale agreement delivered by the Owner.

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