



For Sale Individually or as a Portfolio

SEVEN PROPERTIES | CARMEL, CA

—— NNN Retail, Hospitality and Office Portfolio ——





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Offering Memorandum Disclaimer

This Cushman & Wakefield (“Agent”) has been engaged as the exclusive agent for the sale of the **Carmel Properties Portfolio, Carmel-by-the-Sea, CA 93923** (the “Property” or “Properties”), by the owner of the Property (“Seller”).

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February 2019

EXECUTIVE SUMMARY |









Pebble Beach Golf & Resort | Carmel, CA



Investment Opportunity

Cushman & Wakefield is excited to offer for sale the Carmel Properties Portfolio, (the “Properties” or “Portfolio”). Located in iconic Carmel-by-the-Sea, California, the Portfolio is composed of seven irreplaceable individual properties.

Property	Lease Type	Price	Projected Current Annual Rent	Cap Rate	Current Lease Term Expiration Date	Options	Approximate Building Size (Sq. Ft.)	Lot Size (Sq. Ft.)
 STARBUCKS	NNN Lease with tenant responsible for taxes, insurance, common area expenses and maintenance, including roof and structure.	\$3,000,000	\$108,000	3.60%	8/31/2022 (3.5 Years)	Four 5-Year Options	4,000	16,117
	NNN Lease with tenant responsible for taxes, insurance, common area expenses and maintenance, including roof and structure.	\$4,986,000	\$174,513	3.50%	3/31/2025 (6 Years)	Three 5-Year Options	5,270	21,780
	NNN Lease with tenant responsible for taxes, insurance, common area expenses and maintenance, including roof and structure.	\$3,465,000	\$121,229	3.50%	2/28/2025 (6 Years)	One 10-Year Option	4,200	20,038
 Shell Gas Station and C-Store	NNN Ground Lease with tenant responsible for taxes, insurance, common area expenses and maintenance, including roof and structure.	\$2,550,000	\$82,800	3.25%	6/13/2022 (3.5 Years)	Four 5-Year Options	1,789*	23,126
 Chevron Gas Station and C-Store	NNN Ground Lease with tenant responsible for taxes, insurance, common area expenses and maintenance, including roof and structure.	\$4,545,000	\$159,062	3.50%	8/31/2028 (9.5 Years)	Two 5-Year Options	1,944*	24,015
	NNN Ground Lease with base and percentage rent with tenant responsible for taxes, insurance, common area expenses and maintenance, including roof and structure.	\$14,564,000	\$582,541	4.00%	10/31/2073 (54.5 Years)	None	57,065*	140,263
Carmel Center Place Office Complex	Eight Multi-Tenant Office Buildings with tenants on both net and modified gross leases.	\$9,930,000	\$595,764**	6.00%	Various	Various	42,720	186,000
PORTFOLIO TOTALS:		\$43,040,000	\$1,823,907	4.24%			116,588	592,502

* Improvements owned by tenants and not for sale

** Year-1 calculated as 7/1/19 - 6/30/20

Offering Highlights

- Irreplaceable Carmel, California locations
- Seven individual parcels
- Huge barriers to the development of new competition
- Proven dependable income streams
- Rents at or under market

The Properties of the Carmel Properties Portfolio are being offered individually, in groups or as a complete portfolio.



Location Highlights

- Extremely affluent demographics with surrounding average household incomes in excess of \$159,000 within 1-mile radius
- Outstanding location in the primary grocery and daily needs retail shopping area serving Carmel-by-the-Sea, Pebble Beach and Carmel Valley
- The Rio Road properties are strategically located as outparcels or adjacent to the most dominant retail shopping center in the market, the 204,000 square foot Crossroads Carmel, anchored by Safeway and CVS and featuring over 50 other local, regional and national tenants
- One of California's top tourism, hospitality and recreation destinations - more than 4 million visitors a year travel to Carmel and the Monterey Peninsula
- Adjacent to the world-famous Highway 1, California's longest state route, with over 40,000 VPD
- Last major grocery anchored retail hub for 120 miles (3 hours drive time) as you head south on Highway 1 along the Big Sur coast
- Located at the intersection of Highway 1 and Rio Road at the mouth of the Carmel Valley, the affluence of the surrounding trade area largely insulates its tenants from the impacts of economic cycles
- Extremely high barriers to entry - the lack of new water service connections and local anti-development political sentiment ensures the success and stability of the tenants







3650 RIO ROAD



PRICE: **\$3,000,000 (3.60% Cap Rate)**

Property Type: NNN Leased Restaurant
Tenant: Starbucks Corporation
Address: 3650 Rio Road - Carmel, CA 93923
Building Size: ±4,000 Square Feet
Lot Size: ±16,117 Square Feet (±0.37 Acres)
Year Built: 1973

INVESTMENT HIGHLIGHTS

- Below market rent
- Lease guaranteed by Starbucks Corporation (NYSE: SBUX)
- Scheduled rental increases every 5 years
- Options 3 & 4 adjust to Fair Market Value
- Starbucks Corporation is rated 'A' by Standard & Poor's

LOCATION SUMMARY

The Property is an outparcel to The Crossroads Carmel, a 204,000 square foot regional shopping center anchored by Safeway and CVS, adjacent to Highway 1. The Crossroads Carmel is the dominant grocery and daily needs shopping destination servicing Carmel-by-the-Sea, Pebble Beach and Carmel Valley.

LEASE SUMMARY

Leased to **STARBUCKS CORPORATION** for 3.5 years expiring August 31, 2022. There are four five-year options to extend the lease with a \$900 rent increase in the first option; a 10% rent increase in the second option; and the third and fourth options adjust to Fair Market Value (FMV). The lease is triple net with the tenant responsible for taxes, insurance and maintenance of the premises, including roof, structure and parking lot.

RENT SCHEDULE

Lease Years	Annual Rent	Rent/SF
Current - 8/31/2022	\$108,000	\$27.00
9/1/2022 - 8/31/2027 (Option 1)	\$108,900	\$27.23
9/1/2027 - 8/31/2032 (Option 2)	\$119,790	\$29.95
9/1/2032 - 8/31/2037 (Option 3)	FMV	FMV
9/1/2037 - 8/31/2042 (Option 4)	FMV	FMV

PROPOSITION 13 PROTECTION

The Tenant has Proposition 13 Protection against any increase in taxes due to a change in ownership until August 31, 2022 (the initial term of the Lease). Seller will credit at closing the difference in taxes between the current and future assessment of property based on the sale price through the expiration of the initial term of the Lease.

Tenant Profile

STARBUCKS CORPORATION, (NYSE: SBUX) founded in 1971 and based in Seattle, Washington, operates as a roaster, marketer, and retailer of specialty coffee worldwide. The company operates in five segments: Americas; China/Asia Pacific; Europe, Middle East, and Africa. Its stores offer coffee and tea beverages, roasted whole bean and ground coffees, single-serve and ready-to-drink coffee and tea products, and food and snacks; and various food products, such as pastries, breakfast sandwiches, and lunch items. The company also licenses its trademarks through licensed stores, grocery and foodservice accounts. It offers its products under the Starbucks, Teavana, Tazo, Seattle's Best Coffee, Evolution Fresh, La Boulange, Ethos, Frappuccino, Starbucks Double shot, Starbucks Refreshers, and premium Tazo. As of April 26, 2018, Starbucks operated 28,209 company-owned and licensed stores.

The company distinguishes itself from other national coffee chains by investing heavily in mobile marketing. The Starbucks app currently has 13 million Starbucks Reward Members, approximately 9 million mobile paying customers and more than \$6 billion loaded onto prepaid Starbucks Cards in North America in 2016 alone.

As of October 2017, the company reported total revenues of \$22.3 billion and net income of \$2.88 billion. Starbucks is ranked #132 on the Fortune 500 and has an S&P rating of A-. For more information please visit www.starbucks.com.





PROPERTY OVERVIEW | Bank of America



3640 RIO ROAD



PRICE: **\$4,986,000 (3.50% Cap Rate)**

Property Type: NNN Leased Bank Branch with Drive Thru
Tenant: Bank of America, N.A.
Address: 3640 Rio Road - Carmel, CA 93923
Building Size: ±5,270 Square Feet
Lot Size: ±21,780 Square Feet (±0.50 Acres)
Year Built: 1970

INVESTMENT HIGHLIGHTS

- Extremely high deposits of over \$450 million - very profitable branch
- Bank of America, N.A. is rated 'A-' by Standard & Poor's
- 2.50% annual rent increases
- Established location since 1970
- Drive thru site fronting Highway 1

LOCATION SUMMARY

The Property is an outparcel to The Crossroads Carmel, a 204,000 square foot regional shopping center anchored by Safeway and CVS, adjacent to Highway 1. The Crossroads Carmel is the dominant grocery and daily needs shopping destination servicing Carmel-by-the-Sea, Pebble Beach and Carmel Valley.

LEASE SUMMARY

Leased to **BANK OF AMERICA, N.A.** for over 6 years expiring March 31, 2025. The rent increases by 2.50% annually. There are three 5-year options to extend the lease. The lease is triple net with the tenant responsible for taxes, insurance and maintenance of the premise, including roof, structure and parking lot.

RENT SCHEDULE

Lease Years	Annual Rent	Rent/SF
Current - 3/31/2020	\$174,513	\$33.11
4/1/2020 - 3/31/2021	\$178,876	\$33.94
4/1/2021 - 3/31/2022	\$183,347	\$34.79
4/1/2022 - 3/31/2023	\$187,931	\$35.66
4/1/2023 - 3/31/2024	\$192,629	\$36.55
4/1/2024 - 3/31/2025	\$197,445	\$37.47
4/1/2025 - 3/31/30 (Option 1)	\$202,381	\$38.40
4/1/2030 - 3/31/35 (Option 2)	\$228,976	\$43.45
4/1/2035 - 3/31/40 (Option 3)	\$259,065	\$49.16

Tenant Profile

BANK OF AMERICA, N.A. is the major subsidiary of Bank of America Corporation (NYSE: BAC). BAC is the second largest bank holding company in the United States by assets and deposits. It operates through four business lines: Consumer Banking, Global Banking, Global Markets and Global Wealth and Investment Management (GWIM). GWIM include Merrill Lynch Global Wealth Management and U.S. Trust, Bank of America Private Wealth Management. BOA generates approximately 90% of its revenues from the local market and continues to buy businesses in the United States. The core of BOA's strategy is to be the number one in its domestic market. The company provides unmatched convenience in the United States, serving about 46 million personal and small business customers through around 4,600 retail banking offices and 16,000 ATMs nationwide. BOA's retail banking footprint covers 80% of the U.S. population. Internationally, the company has a presence in 35 countries throughout Europe, Africa & Middle East, North & Latin America and Asia Pacific region. As of March 31, 2017, BOA had \$2.248 trillion in total assets, \$1.272 trillion in total deposits, \$906.2 billion in loans. As of January 16, 2018, Bank of America, N.A. has Credit rating of Aa3 by Moody's and A+ by S&P and Bank of America Corporation has Credit rating of A3 by Moody's and A- by S&P.





PROPERTY OVERVIEW |

WELLS FARGO



26600 CARMEL CENTER PLACE



PRICE: **\$3,465,000 (3.50% Cap Rate)**

Property Type: NNN Leased Bank Branch
Tenant: Wells Fargo Bank, N.A.
Address: 26600 Carmel Center Place - Carmel, CA 93923
Building Size: ±4,200 Square Feet
Lot Size: ±20,030 Square Feet (±0.46 Acres)
Year Built: 1974

INVESTMENT HIGHLIGHTS

- Extremely high deposits of over \$312 million - very profitable branch
- Very favorable 10-year option that adjust to Fair Market Value
- 2% annual rent increases
- Established location since 1975
- Wells Fargo is rated A- by Standard & Poor's, ranked #25 on the Fortune 500

LOCATION SUMMARY

The Property is an outparcel to The Crossroads Carmel, a 204,000 square foot regional shopping center anchored by Safeway and CVS, adjacent to Highway 1. The Crossroads Carmel is the dominant grocery and daily needs shopping destination servicing Carmel-by-the-Sea, Pebble Beach and Carmel Valley.

LEASE SUMMARY

Leased to **WELLS FARGO BANK, N.A.** for over 6 years expiring February 28, 2025. The rent increases by 2% annually. There is one 10-year option that adjust to Fair Market Value (FMV). The lease is triple net with the tenant responsible for taxes, insurance and maintenance of the premises, including roof, structure and parking lot.

RENT SCHEDULE

Lease Years	Annual Rent	Rent/SF
Current - 2/28/2020	\$121,229	\$28.86
3/1/2020 - 2/28/2021	\$123,653	\$29.44
3/1/2021 - 2/28/2022	\$126,127	\$30.03
3/1/2022 - 2/28/2023	\$128,649	\$30.63
3/1/2023 - 2/28/2024	\$131,222	\$31.24
3/1/2024 - 2/28/2025	\$133,846	\$31.87
3/1/2025-2/28/2035 (Option 1)	FMV	FMV



Tenant Profile

WELLS FARGO & COMPANY (NYSE: WFC), is a diversified financial services company providing banking, insurance, investments, mortgage and consumer finance through almost 8,300 stores, the internet and other distribution channels across North America and internationally. Wells Fargo & Company (NYSE:WFC) reported net income of \$6.2 billion, or \$1.16 per diluted common share, for fourth quarter 2017, compared with \$5.3 billion, or \$0.96 per share, for fourth quarter 2016, and \$4.5 billion, or \$0.83 per share, for third quarter 2017. Wells Fargo is a diversified, community-based financial services company with \$2.0 trillion in assets. Wells Fargo's vision is to satisfy its customers' financial needs and help them succeed financially. Founded in 1852 and headquartered in San Francisco, Wells Fargo provides banking, investments, mortgage, and consumer and commercial finance through more than 8,300 locations, 13,000 ATMs, the internet (wellsfargo.com) and mobile banking, and has offices in 42 countries and territories to support customers who conduct business in the global economy. With approximately 263,000 team members, Wells Fargo serves one in three households in the United States. Wells Fargo & Company was ranked No. 25 on Fortune's 2017 rankings of America's largest corporations. Community banking represents Wells Fargo's largest segment. Its wholesale banking arm handles corporate banking across the US and around the world; activities include investment banking and capital markets, securities investment, commercial real estate, and capital finance. Its wealth, brokerage, and retirement segment provides financial advisory services. The bank holding company also runs Wells Fargo Home Mortgage.





7 CARMEL CENTER PLACE



PRICE: **\$2,550,000 (3.25% Cap Rate)**

Property Type: NNN Ground Lease
Tenant: Peninsula Petroleum, LLC dba Shell
Address: 7 Carmel Center Place - Carmel, CA 93923
Building Size: ±1,789 Square Feet*
Lot Size: ±23,126 Square Feet (±0.53 Acres)
Year Built: 1970

* Improvements are owned by the Tenant and not for sale

INVESTMENT HIGHLIGHTS

- Very below market rent
- Rent adjusts to Fair Market Value in 2022
- Absolute net lease with no landlord responsibilities
- Free-standing gas station with 8 pumps and convenience store

LOCATION SUMMARY

The Property is located on the southeast corner of Rio Road and Carmel Center Place across the street from the The Crossroads Carmel, a 204,000 square foot regional shopping center anchored by Safeway and CVS, adjacent to Highway 1. The Crossroads Carmel is the dominant grocery and daily needs shopping destination servicing Carmel-by-the-Sea, Pebble Beach and Carmel Valley.

LEASE SUMMARY

Ground Leased to **PENINSULA PETROLEUM, LLC** for 3+ years expiring June 13, 2022. There are four additional options to extend the lease with the first at Fair Market Value (FMV); the second and third based on CPI increase; and the fourth at FMV. The lease is absolute net with the tenant responsible for all taxes, insurance, and maintenance.

RENT SCHEDULE

Lease Years	Annual Rent
Current - 6/13/2022	\$82,800
6/14/2022 - 6/13/2027 (Option 1)	FMV
6/14/2027 - 6/13/2032 (Option 2)	CPI
6/14/2032 - 6/13/2037 (Option 3)	CPI
6/14/2037 - 6/13/2042 (Option 4)	FMV



Tenant Profile

ROYAL DUTCH SHELL PLC commonly known as **SHELL**, is a British-Dutch multinational oil and gas company headquartered in the Netherlands and incorporated in the United Kingdom. It is one of the six oil and gas “supermajors” and the sixth largest company in the world measured by 2016 revenues. Shell was first in the 2013 Fortune Global 500 list of the world’s largest companies; in that year its revenues were equivalent to 84% of the Netherlands’ \$556 billion GDP. Shell is vertically integrated and is active in every area of the oil and gas industry, including exploration and production, refining, transport, distribution and marketing, petrochemicals, power generation, and trading. It also has renewable energy activities, including in biofuels, wind and hydrogen. Shell has operations in over 70 countries, produces around 3.7 million barrels of oil equivalent per day and has 44,000 service stations worldwide. As of 31 December 2014, Shell had total proved reserves of 13.7 billion barrels of oil equivalent.

Approximately 22,000 Shell employees are based in the U.S. The U.S. headquarters are in Houston, Texas. Shell Oil Company, including its consolidated companies and its share in equity companies, is one of America’s largest oil and natural gas producers, natural gas marketers, gasoline marketers and petrochemical manufacturers. Shell is the market leader through approximately 25,000 Shell-branded gas stations in the U.S. which also serve as Shell’s most visible public presence. At its gas stations Shell provides diesel fuel, gasoline and LPG. Shell Oil Company was a 50/50 partner with the Saudi Arabian government-owned oil company Saudi Aramco in Motiva Enterprises, a refining and marketing joint venture which owns and operates three oil refineries on the Gulf Coast of the United States.



PROPERTY OVERVIEW | **Chevron**



3645 RIO ROAD



PRICE: **\$4,545,000 (3.50% Cap Rate)**

Property Type: NNN Ground Lease
Tenant: Chevron U.S.A., Inc.
Address: 3645 Rio Road - Carmel, CA 93923
Building Size: ±1,944 Square Feet
Lot Size: ±24,015 Square Feet (±0.55 Acres)
Year Built: 1968

* Improvements are owned by the Tenant and not for sale

INVESTMENT HIGHLIGHTS

- Lease guaranteed by Chevron Corp. (NYSE: CVX)
- Credit tenant: S&P rating AA-
- Scheduled rent increases every five years
- Established operation since 1967
- Hard corner location fronting Highway 1
- Free-standing gas station with 8 pumps and convenience store

LOCATION SUMMARY

The Property is located on the west side of Rio Road adjacent to Highway 1 and fronting the Carmel Mission Inn. Across the street is The Crossroads Carmel, a 204,000 square foot regional shopping center anchored by Safeway and CVS, adjacent to Highway 1. The Crossroads Carmel is the dominant grocery and daily needs shopping destination servicing Carmel-by-the-Sea, Pebble Beach and Carmel Valley.

LEASE SUMMARY

Ground Leased to **CHEVRON U.S.A., INC.** for 9.5 years expiring August 31, 2028. The rent increases by 10% in September 2023. There are two five-year options to renew the lease with 6% rental increases at the start of each option. The lease is absolute net with the tenant responsible for all taxes, insurance, and maintenance.

RENT SCHEDULE

Lease Years	Annual Rent
Current - 8/31/2023	\$159,062
9/1/2023 - 8/31/2028	\$174,969
9/1/2028 - 8/31/2033 (Option 1)	\$185,470
9/1/2033 - 8/31/2038 (Option 2)	\$196,598

Tenant Profile

CHEVRON CORPORATION, through its subsidiaries, engages in integrated energy, chemicals, and petroleum operations world wide. The company operates in two segments, Upstream and Downstream. The Upstream segment is involved in the extrapolation, development, and production of crude oil and natural gas; processing, liquefaction, transportation, and regasification associated with liquefied natural gas natural gas; transportation of crude oil through pipelines; and transportation, storage, and marketing of natural gas, as well as operates a gas-to-liquids plant. The Downstream engages in refining crude oil into petroleum products; marketing crude oil and refined products; transporting crude oil and refined products through pipeline, marine vessel, motor equipment, and rail car; and manufacturing and marketing commodity petrochemicals, and fuel and lubricant additive, as well as plastics for industrial uses. Chevron Corporation was founded in 1879 and is headquartered in Sam Ramon, California and active in more than 180 countries. The company was formerly known as ChevronTexaco Corporation and changed its name to Chevron Corporation in 2005. Chevron is one of the world's largest oil companies; as of 2017, it ranked nineteenth in the Fortune 500 list of the top US closely held and public corporations and sixteenth on the Fortune Global 500 list of the top 500 corporations worldwide. It was also one of the Seven Sisters that dominated the global petroleum industry from the mid-1940s to the 1970s. Publicly traded o the New York Stock Exchange, Chevron Corporation employees approximately 55,200 people, and earned 2017 revenue and net income of \$134.7 billion and \$9.2 billion, respectively.





PROPERTY OVERVIEW



3665 RIO ROAD



PRICE: **\$14,564,000 (4.00% Cap Rate)**

Property Type: NNN Ground Lease
Tenant: MI Carmel Holdings, LLC
 dba Carmel Mission Inn
Address: 3665 Rio Road - Carmel, CA 93923
Building Size: ±57,065 Square Feet
Lot Size: ±140,263 Square Feet (±3.22 Acres)
Year Built: 1967

* Improvements are owned by the Tenant and not for sale

INVESTMENT HIGHLIGHTS

- Extremely rare opportunity to acquire a long term ground leased hospitality property in a world renowned tourist destination
- Percentage rent clause allows for inflation hedge, in addition to future fair market value rental adjustments
- Large 3.22 acre site adjacent to Highway 1

LOCATION SUMMARY

The Property is located on the west side of Rio Road adjacent to Highway 1 and across the street from The Crossroads Carmel, a 204,000 square foot regional shopping center anchored by Safeway and CVS.





LEASE SUMMARY

Ground leased to **MI CARMEL HOLDINGS, LLC** for 54.5 years expiring October 31, 2073. The lease is absolute net with the tenant responsible for all taxes, insurance, and maintenance.

The rent that the tenant pays is composed of two elements. The first is the “Minimum Rent” and the second is the “Percentage Rent”. In any lease year, if the calculated Percentage Rent exceeds the Minimum Rent, the greater of the two amount becomes the amount due. Both Minimum Rent and Percentage Rent are structured to increase over the term of the lease, as follows:

Percentage Rent: This amount is determined by multiplying the total of adjusted gross revenues from the leased premises by the following percentages:

11/2014 to 10/2024 - 6.75%
11/2024 to 10/2049 - 7.00%
11/2049 to 11/10/2073 - 7.5%

2017 Percentage Rent was calculated to be \$561,685 based on adjusted gross revenues of \$8,321,259. As of February 1, 2019, 2018 percentage rent had yet to be calculated.

Minimum Rent: Using a formula described in the next column (the “Current Formula”), Minimum Rent resets every five years and is

scheduled to be reset again in November 2019, 2024 and 2029. Starting October 31, 2021, and on the same date every 10 years thereafter, the Minimum Rent will also adjust based upon a study of market value of the land at its highest and best use and prevailing rates of return, in no case less than the rent determined pursuant to the Current Formula or existing minimum annual rent.

The “Current Formula” determines Minimum Rent by averaging the total rent paid during the immediately preceding 5-year period and multiplying that average by 85%. The current minimum rent is \$298,000 per year. As the chart below indicates, based upon projected Percentage Rent in 2018 and 2019, Minimum Rent is likely to increase in 2020.

Year	Tenant Sales	Percentage Rent	Minimum Rent	Rent Paid/Projected
2014	\$8,083,929	\$527,628	\$298,000	\$527,628
2015	\$8,755,502	\$590,996	\$298,000	\$590,996
2016	\$8,683,361	\$586,127	\$298,000	\$586,127
2017	\$8,321,268	\$561,686	\$298,000	\$561,686
Proj. 2018	\$8,461,015*	\$571,119	\$298,000	\$571,119
Proj. 2019	\$8,630,235*	\$582,541	\$298,000	\$582,541
Proj. 2020	\$8,802,840*	\$594,192	\$491,720	\$594,192

* 2018 projected sales are based on the average of the sales of the previous four years (2014 - 2017). 2019 & 2020 projected sales are grown by 2% annually.

Tenant Profile

The **CARMEL MISSION INN** is a high-end boutique hotel with 165 guestrooms with an array of gracious amenities that include a heated pool, a spacious hot tub, a fitness room, and spa services. The Carmel Mission Inn provides that great central location to explore Carmel and all that the Monterey Peninsula has to offer. The Carmel Mission Inn combines convenient Carmel valley lodging with what many say is “an outstanding value”.

Designed in 1968, the hotel opened as a Holiday Inn in 1970, at a time of rapid expansion for the popular roadside chain. A few years later, the Barnyard Shopping Village and Crossroads Carmel shopping centers bracketed the hotel, and the Carmel Mission Inn gained a bit of notoriety as a place for discreet assignments by the frisky Bay Area set. Today, the garden-fringed hotel still books up quickly for major events such as the Monterey Jazz Festival, the Pebble Beach Concours d'Elegance and the Big Sur Marathon, which finishes across the street. Yet its contemporary, coastal-inspired interior design doesn't make much of an impression.













Property Amenities



FULL-SERVICE HOTEL | RESTAURANT AND BAR | OUTDOOR SWIMMING POOL AND WHIRLPOOL | FITNESS CENTER | MULTI-USE COURTYARD | 4,670 SQ.FT. FLEXIBLE MEETING SPACE

PROPERTY OVERVIEW | CARMEL CENTER PLACE OFFICE COMPLEX



26607-26625 CARMEL CENTER PLACE



Property Type: Eight Building Multi Tenant Office Complex

Address: 26607-26625 Carmel Center Place
Carmel, CA 93923

Building Size: ±42,720 Square Feet

Lot Size: ±186,000 Square Feet (±4.27 Acres)

Year Built: 1982

INVESTMENT HIGHLIGHTS

- Boutique office park comprised of eight buildings with 26 tenants adjacent to The Crossroads Carmel with over 50 retailers and 7 restaurants
- Strong tenant mix including national tenants such as Wells Fargo Private Bank and Chicago Title Insurance, to name a few
- Campus environment with lush walkways and garden courtyards with close proximity to Carmel, Carmel Valley and US Highway 1 to Monterey
- Convenient Carmel location with numerous nearby amenities that attract a wide range of national, regional and local tenants that cater to the year-round residents and tourists

LOCATION SUMMARY

The Property is adjacent to The Crossroads Carmel, a 204,000 square foot regional shopping center anchored by Safeway and CVS, adjacent to Highway 1. The Crossroads Carmel is the dominant grocery and daily needs shopping destination servicing Carmel-by-the-Sea, Pebble Beach and Carmel Valley.

Financial Highlights

PRICE:	\$9,930,000
Projected Year-1 NOI:	\$595,764
Projected Year-3 NOI:	\$736,931
Projected Year-5 NOI:	\$766,595

Projected Acquisition Financing

Loan-to-Value Ratio:	65%
Interest Rate:	4.75%
Debt Constant:	6.1%
Amortization Schedule:	30 years
I/O Period:	5 years



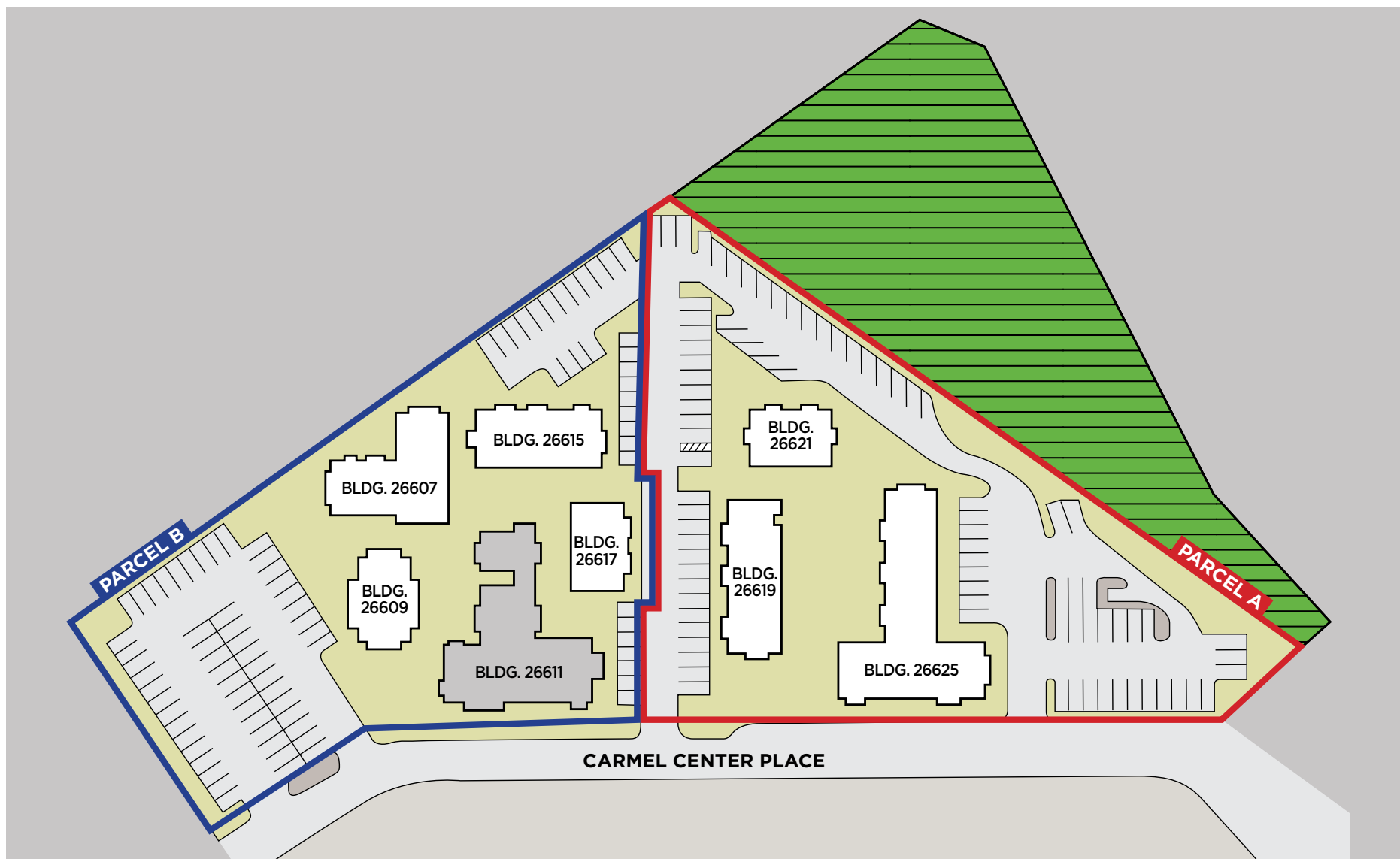
Tenant Profile

The **CARMEL CENTER PLACE OFFICE COMPLEX** is an 8 building office park built in 1982 on 2 separate land parcels comprising 4.27 acres. The entire property is currently leased to 26 tenants, some of which include:

- WELLS FARGO PRIVATE BANK
- WELLS FARGO HOME MORTGAGE
- CHICAGO TITLE INSURANCE CO.
- PINECONE PROPERTIES, INC.
- BLUE ADOBE MORTGAGE
- OLD FIELD & CREELY
- FITZPATRICK PROFESSIONAL ACCOUNTANCY
- GREGORY TAPSON INTERNAL MEDICINE
- TOES ON THE GO
- JENNIFER GARBARINO, PH.D., PSYCHOLOGIST

Average monthly rents on a triple net basis are approximately \$2.00-\$2.05/sq. ft. for the entire complex.

Site Plan



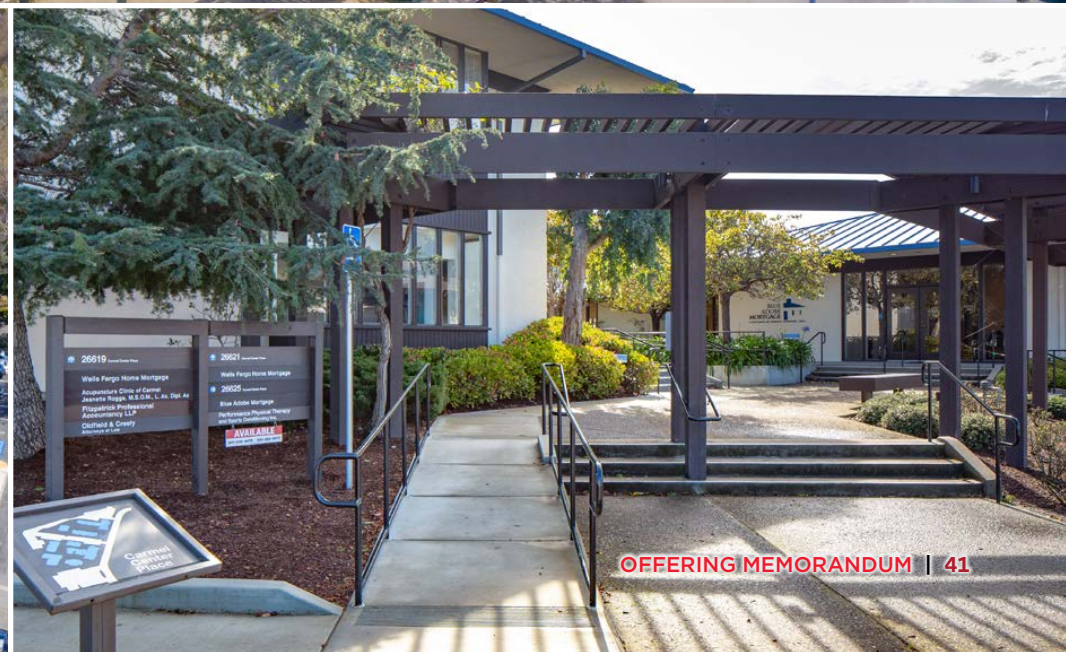
Tenant Roster

Parcel	Building	Suite	Tenant	Sq. Ft.
A	26619	101	Wells Fargo Mortgage	2,457
A	26619	102	Fitzpatrick Prof. Accountancy LLP (new)	1,458
A	26619	200	Accurate Payroll & Accounting Services	785
A	26619	201	Jeanette Rogge	736
A	26619	202	Oldfield & Creely, LLP	1,534
A	26621	101	Monterey Bay Contrology, LLC	935
A	26621	202	Total Dr. Bishop & Dr. Garbarino	815
A	26625	200	Summit Funding	3,262
A	26625	100	Performance Physical Therapy	3,433
B	26607	102	Chicago Title	4,074
B	26607	103	AVAILABLE	850
B	26607	104	Dr. Tapson	1,334
B	26607	200	Robert Bouchier	331
B	26607	201	AVAILABLE	683
B	26607	202	AVAILABLE	976

Parcel	Building	Suite	Tenant	Sq. Ft.
B	26607	203	Pinney Construction, Inc	1,006
B	26607	200A	Dr. Tere Linzey	504
B	26607	200B	Lee Cox	296
B	26615	101	Pinecone Property Management	1,129
B	26615	102	Claudio Ortiz Design Group, Inc	594
B	26615	103	M. Kraft	1,014
B	26615	201	Crist Property Management	623
B	26615	202	Days and Nights	874
B	26615	203	Seminole Financial	1,273
B	26617	100	AVAILABLE	2,000
B	26611	100	Wells Fargo Trust	8,598

(87%) TOTAL SF OCCUPIED	36,191
(13%) TOTAL SF AVAILABLE	5,383
TOTAL SF OFFICE COMPLEX	41,574

Property Photographs



Property Photographs



Improvements Description

CONSTRUCTION

Foundation:	Concrete slab on grade
Structure Frame:	Wood frame
Exterior Walls:	Stucco and wood siding
Roof:	Metal Roofing
Doors/Window Frames:	Typical storefront entry doors and windows
Interior Framing:	Wood Frame
Building Height:	14'-26' comprising of one and two story buildings

INTERIOR FINISH

Flooring:	Carpet, vinyl composition or tile
Ceiling:	Painted drywall and acoustical tile
Interior Lighting:	Fluorescent
Walls:	Painted drywall

MECHANICAL

Heat:	Forced Air
HVAC:	Commercial grade air conditioning
Plumbing:	Adequate plumbing service is supplied to all buildings
Electrical:	Adequate electrical service is supplied to all buildings
<u>SAFETY</u>	
Fire/Emergency:	All areas are sprinkled with adequate fire prevention measures in place
Fire Suppression Systems:	All areas are sprinkled with adequate fire prevention measures in place
Life Safety Systems:	All tenant spaces have adequate emergency and life safety prevention measures in place

10-Year Projection of Net Operating Income

For the Years Ending	PSF	Year 1 Jun-2020	Year 2 Jun-2021	Year 3 Jun-2022	Year 4 Jun-2023	Year 5 Jun-2024	Year 6 Jun-2025	Year 7 Jun-2026	Year 8 Jun-2027	Year 9 Jun-2028	Year 10 Jun-2029
Potential Gross Revenue											
Potential Base Rent	\$19.21	798,496	824,002	844,168	862,564	883,111	906,520	922,804	936,937	964,533	991,954
Absorption & Turnover Vacancy	(\$2.47)	(102,623)	(54,684)	(5,826)	(14,908)	(12,784)	(12,430)	(94,445)	(9,803)	(39,909)	(13,475)
Scheduled Base Rent	\$16.74	695,874	769,318	838,342	847,656	870,327	894,090	828,359	927,134	924,624	978,479
CAM Recovery	\$6.96	289,169	324,348	360,234	366,335	378,516	390,189	369,883	449,426	447,633	475,129
Property Tax Recovery	\$1.74	72,228	80,097	87,997	88,669	90,768	92,684	88,680	108,006	106,664	112,012
Total Expense Recoveries	\$8.69	361,397	404,445	448,232	455,005	469,284	482,873	458,562	557,432	554,298	587,141
Recovery Percent		78%	85%	91%	90%	91%	91%	84%	99%	96%	99%
Potential Gross Revenue	\$25.43	1,057,271	1,173,763	1,286,574	1,302,661	1,339,612	1,376,963	1,286,921	1,484,566	1,478,922	1,565,620
Vacancy Allowance	\$0.00	-	(26,764)	(58,794)	(50,971)	(54,836)	(57,040)	(28,672)	(65,789)	(37,117)	(65,480)
Effective Gross Revenue	\$25.43	1,057,271	1,146,999	1,227,780	1,251,690	1,284,775	1,319,923	1,258,249	1,418,777	1,441,805	1,500,141
Operating Expenses											
Recoverable Expense											
CAM Expenses	\$8.81	366,469	379,203	391,971	403,342	415,308	427,665	437,457	454,264	467,306	481,779
Property Taxes	\$2.29	95,038	96,939	98,878	100,855	102,872	104,930	107,028	109,169	111,352	113,579
Total Operating Expenses	\$11.10	461,507	476,142	490,848	504,197	518,181	532,596	544,486	563,434	578,659	595,358
Net Operating Income	\$14.33	\$595,764	\$670,856	\$736,931	\$747,493	\$766,595	\$787,327	\$713,763	\$855,343	\$863,146	\$904,783
Income Growth Projection			13%	10%	1%	3%	3%	-9%	20%	1%	5%
Average Annual Occupancy		86%	93%	99%	98%	98%	99%	89%	99%	96%	99%

Rent Roll

Parcel Building - Suite	Tenant	Sq. Ft.	% Total	Lease Start	Lease End	Contract Rent as of July-2019				Lease Provisions / Reimbursements	
						Rent \$ PSF/Mo.	\$/Month	Rent \$ PSF/Yr.	% Growth		
Parcel A 26619-101	Wells Fargo Mortgage aka Norwest Mortgage, Inc.	2,457	5.91%	12/14/1999	2/28/2019	\$1.40	\$3,444	\$16.82		Early Termination Right 4th Amend/Article 6 - with 90 days notice, T may terminate after the 18th mo (Aug 1,2020)	
				3/1/2020	2/28/2021	\$1.44	\$3,547	\$17.33	3%		
				3/1/2021	2/28/2022	\$1.49	\$3,654	\$17.85	3%		
				OPT 1	3/1/2022	2/28/2023	\$1.53	\$3,764	\$18.38	3%	CAM: NET TAX: NET
				3/1/2023	2/29/2024	\$1.58	\$3,876	\$18.93	3%		
				3/1/2024	2/28/2025	\$1.63	\$3,993	\$19.50	3%		
				OPT 2	3/1/2025	2/28/2026	\$1.67	\$4,113	\$20.09	3%	
				3/1/2026	2/28/2027	\$1.72	\$4,236	\$20.69	3%		
				3/1/2027	2/29/2028	\$1.78	\$4,363	\$21.31	3%		
Parcel A 26619-102	Fitzpatrick Prof Accountancy LLP	1,458	3.51%	8/1/2011	7/31/2022	\$1.60	\$2,332	\$19.19		CAM: NET TAX: NET	
				8/1/2019	7/31/2020	\$1.65	\$2,402	\$19.77			
				8/1/2020	7/31/2021	\$1.70	\$2,474	\$20.36	3%	Rent Growth: CPI but ≤ 3% nor ≥ 6%	
				8/1/2021	7/31/2022	\$1.75	\$2,548	\$20.97	3%		
Parcel A 26619-200	Accurate Payroll & Accounting Svcs aka Jeff Schroeder	785	1.89%	9/1/2018	8/31/2023	\$1.50	\$1,178	\$18.00		CAM: NET TAX: NET	
				9/1/2019	8/31/2020	\$1.55	\$1,213	\$18.54	3%		
				9/1/2020	8/31/2021	\$1.59	\$1,249	\$19.10	3%	Rent Growth: CPI	
				9/1/2021	8/31/2022	\$1.64	\$1,287	\$19.67	3%		
				9/1/2022	8/31/2023	\$1.69	\$1,325	\$20.26	3%		
				OPT 1	9/1/2022	8/31/2023	\$1.74	\$1,365	\$21.49	3%	
				9/1/2024	8/31/2025	\$1.79	\$1,406	\$22.14	3%		
				9/1/2025	8/31/2026	\$1.84	\$1,448	\$22.80	3%		
				9/1/2026	8/31/2027	\$1.90	\$1,492	\$23.49	3%		
9/1/2027	8/31/2028	\$1.96	\$1,536	\$23.49	3%						

Rent Roll (continued)

Parcel Building - Suite	Tenant	Sq. Ft.	% Total	Lease Start	Lease End	Contract Rent as of July-2019				Lease Provisions / Reimbursements	
						Rent \$ PSF/Mo.	\$/Month	Rent \$ PSF/Yr.	% Growth		
Parcel A 26619-201	Jeanette V. Rogge	736	1.77%	8/1/2003	MTM	\$1.44	\$1,060	\$17.28		CAM: NET TAX: NET	
Parcel A 26619-202	Oldfield & Creely, LLP	1,534	3.69%	9/1/2003	8/31/2021	\$1.40	\$2,148	\$16.80		CAM: NET PROP 13: Original Lease Section 3.1(B) Current \$3,660	
				9/1/2019	8/31/2020	\$1.44	\$2,212	\$17.31	3%	Rent Growth: CPI but ≤ 3% nor ≥ 5%	
				9/1/2020	8/31/2021	\$1.49	\$2,279	\$17.83	3%		
				OPT 1	9/1/2021	8/31/2022	\$1.53	\$2,347	\$18.36		3%
				9/1/2022	8/31/2023	\$1.58	\$2,418	\$18.91	3%		
				9/1/2023	8/31/2024	\$1.62	\$2,490	\$19.48	3%		
Parcel A 26621-101	Monterey Bay Contrology, LLC	935	2.25%	10/1/2018	9/30/2028	\$1.50	\$1,403	\$18.00		CAM: NET TAX: NET	
				10/1/2019	9/30/2020	\$1.55	\$1,445	\$18.54	3%	Rent Growth: CPI	
				10/1/2020	9/30/2021	\$1.59	\$1,488	\$19.10	3%		
				10/1/2021	9/30/2022	\$1.64	\$1,533	\$19.67	3%		
				10/1/2022	9/30/2023	\$1.69	\$1,579	\$20.26	3%		
				10/1/2023	9/30/2024	\$1.74	\$1,626	\$20.87	3%		
				10/1/2024	9/30/2025	\$1.79	\$1,675	\$21.49	3%		
				10/1/2025	9/30/2026	\$1.84	\$1,725	\$22.14	3%		
				10/1/2026	9/30/2027	\$1.90	\$1,777	\$22.80	3%		
				10/1/2027	9/30/2028	\$1.96	\$1,830	\$23.49	3%		
				OPT 1	10/1/2028	9/30/2029	\$2.02	\$1,885	\$24.19		3%
				10/1/2029	9/30/2030	\$2.08	\$1,941	\$24.92	3%		
				10/1/2030	9/30/2031	\$2.14	\$2,000	\$25.66	3%		
Parcel A 26621-202	Dr Bishop & Dr Garbarino	815	1.96%	7/1/2016	6/30/2019	\$1.85	\$1,508	\$22.20		CAM: NET TAX: NET	
				7/1/2020	6/30/2021	\$1.91	\$1,554	\$23.56	3%	Rent Growth: CPI	
				7/1/2021	6/30/2022	\$1.96	\$1,600	\$24.27	3%		
				OPT 1	7/1/2022	6/30/2023	\$2.02	\$1,648	\$24.27	3%	
				7/1/2023	6/30/2024	\$2.08	\$1,698	\$25.00	3%		
				7/1/2024	6/30/2025	\$2.15	\$1,749	\$25.75	3%		

Parcel Building - Suite	Tenant	Sq. Ft.	% Total	Lease Start	Lease End	Contract Rent as of July-2019				Lease Provisions / Reimbursements
						Rent \$ PSF/Mo.	\$/Month	Rent \$ PSF/Yr.	% Growth	
Parcel A 26625-100	Summit Funding / Blue Adobe	3,262	7.85%	3/1/2017	2/29/2020	\$1.55	\$5,056	\$18.60		TAX + CAM BASE YEAR: Tenant's reimbursement for OPEX and TAX during 2017 does not exceed \$.60 PSF (1,957.20/mo.) and shall not increase more than 5% annually Rent Growth: CPI
			OPT 1	3/1/2020	2/28/2021	\$1.60	\$5,208	\$19.16	3%	
				3/1/2021	2/28/2022	\$1.64	\$5,364	\$19.73	3%	
				3/1/2022	2/28/2023	\$1.69	\$5,525	\$20.32	3%	
Parcel A 26625-200	Performance Physical Therapy	3,433	8.26%	5/1/2018	4/30/2023	\$1.55	\$5,304	\$18.54		Termination Right Section 1.4: Any time from 10th month of 2nd Term (12/1/2019) but at least 3 mos. prior to Expiration Date
				5/1/2020	4/30/2021	\$1.59	\$5,463	\$19.10	3%	
				5/1/2021	4/30/2022	\$1.64	\$5,627	\$19.67	3%	
				5/1/2022	4/30/2023	\$1.69	\$5,796	\$20.26	3%	
			OPT 1	5/1/2022	4/30/2023	\$1.74	\$5,970	\$20.87	3%	CAM: NET TAX: NET
				5/2/2022	4/30/2023	\$1.79	\$6,149	\$21.49	3%	Rent Growth: CPI no more than 3%
				5/3/2022	4/30/2023	\$1.84	\$6,333	\$22.14	3%	
TOTAL PARCEL A Sq. Ft.		15,415					\$23,432	\$281,179		

Rent Roll (continued)

Parcel Building - Suite	Tenant	Sq. Ft.	% Total	Lease Start	Lease End	Contract Rent as of July-2019			% Growth	Lease Provisions / Reimbursements
						Rent \$ PSF/Mo.	\$/Month	Rent \$ PSF/Yr.		
Parcel B 26609-102	Chicago Title	4,074	9.80%	2/1/2000	1/31/2020	\$1.64	\$6,699	\$19.73		TAX: Prop 13
			OPT 1	2/1/2020	1/31/2021	\$1.69	\$6,900	\$20.32	3%	CAM: NET
				2/1/2021	1/31/2022	\$1.74	\$7,107	\$20.93	3%	
				2/1/2022	1/31/2023	\$1.80	\$7,320	\$21.56	3%	
			OPT 2	2/1/2023	1/31/2024	\$1.85	\$7,540	\$22.21	3%	
				2/1/2024	1/31/2025	\$1.91	\$7,766	\$22.88	3%	
				2/1/2025	1/31/2026	\$1.96	\$7,999	\$23.56	3%	
Parcel B 26607-103	Vacant	850	2.04%							
Parcel B 26607-104	Gregory Tapson, MD	1,334	3.21%	5/1/2013	4/30/2019	\$1.56	\$2,087	\$18.77		Oral agreement on extension through 4/30/2019
			OPT 1	5/1/2019	4/30/2020	\$1.61	\$2,149	\$19.33	3%	
				5/1/2020	4/30/2021	\$1.66	\$2,214	\$19.91	3%	CAM: NET
				5/1/2021	4/30/2022	\$1.71	\$2,280	\$20.51	3%	TAX: NET
Parcel B 26607-200	Robert Bouchier, ESQ	331	0.80%	1/1/2017	12/31/2020	\$1.38	\$457	\$16.55		CAM: NET
				1/1/2020	12/31/2020	\$1.42	\$470	\$17.05	3%	TAX: NET
			OPT 1	1/1/2021	12/31/2021	\$1.46	\$484	\$17.56	3%	
Parcel B 26607-201	Vacant	683	1.64%							Space is currently occupied by CPC Property Manager
Parcel B 26607-202	Vacant	976	2.35%							
Parcel B 26607-203	Pinney Construction	1,006	2.42%	9/1/2017	8/31/2020	\$1.55	\$1,554	\$18.54		CAM: NET
				9/1/2019	8/31/2020	\$1.59	\$1,601	\$19.10	3%	TAX: NET
			OPT 1	9/1/2020	8/31/2021	\$1.64	\$1,649	\$19.67	3%	
				9/1/2021	8/31/2022	\$1.69	\$1,698	\$20.26	3%	
				9/1/2022	8/31/2023	\$1.74	\$1,749	\$20.87	3%	

Rent Roll (continued)

Parcel Building - Suite	Tenant	Sq. Ft.	% Total	Lease Start	Lease End	Contract Rent as of July-2019		Rent \$ PSF/Yr.	% Growth	Lease Provisions / Reimbursements
						Rent \$ PSF/Mo.	\$/Month			
Parcel B 26607-200A	Dr. Tere Linzey	504	1.21%	11/1/2017	10/31/2019	\$1.55	\$779	\$18.54		CAM: NET TAX: NET
				OPT 1	11/1/2019	10/31/2020	\$1.59	\$802	\$19.10	
					11/1/2020	10/31/2021	\$1.64	\$826	\$19.67	
				OPT 2	11/1/2021	10/31/2022	\$1.69	\$851	\$20.26	
					11/1/2022	10/31/2023	\$1.74	\$876	\$20.87	
Parcel B 26607-200B	Lee Cox	296	0.71%	3/24/2015	3/31/2021	\$1.69	\$500	\$20.26		CAM: NET TAX: NET
					4/1/2020	3/31/2021	\$1.74	\$515	\$20.87	
Parcel B 26609	Pinecone Properties, Inc.	1,129	2.72%	1/1/2005	12/31/2022	\$1.45	\$1,635	\$17.37		CAM: NET TAX: NET
					1/1/2020	12/31/2020	\$1.49	\$1,684	\$17.89	
					1/1/2021	12/31/2021	\$1.54	\$1,734	\$18.43	
					1/1/2022	12/31/2022	\$1.58	\$1,786	\$18.98	
Parcel B 26615-102	Claudio Ortiz Design Group	594	1.43%	1/1/2017	12/31/2020	\$1.43	\$851	\$17.19		CAM: NET TAX: NET
					1/1/2020	12/31/2020	\$1.48	\$876	\$17.70	
				OPT 1	1/1/2021	12/31/2021	\$1.52	\$903	\$18.23	
					1/1/2022	12/31/2022	\$1.57	\$930	\$18.78	
					1/1/2023	12/31/2023	\$1.61	\$958	\$19.34	
					1/1/2024	12/31/2024	\$1.66	\$986	\$19.92	
					1/1/2025	12/31/2025	\$1.71	\$1,016	\$20.52	

Rent Roll (continued)

Parcel Building - Suite	Tenant	Sq. Ft.	% Total	Lease Start	Lease End	Contract Rent as of July-2019		Rent \$ PSF/Yr.	% Growth	Lease Provisions / Reimbursements
						Rent \$ PSF/Mo.	\$/Month			
Parcel B 26615-103	Michele Kraft	1,014	2.44%	4/1/2018	3/31/2020	\$1.55	\$1,567	\$18.54		CAM: NET TAX: NET
				OPT 1	4/1/2020	3/31/2021	\$1.59	\$1,614	\$19.10	
					4/1/2021	3/31/2022	\$1.64	\$1,662	\$19.67	
				OPT 2	4/1/2022	3/31/2023	\$1.69	\$1,712	\$20.26	
					4/1/2023	3/31/2024	\$1.74	\$1,763	\$20.87	
Parcel B 26615-201	Crist Property Company	623	1.50%	9/1/2016	8/31/2021	\$1.33	\$826	\$15.91		CAM: NET TAX: NET
					9/1/2019	8/31/2020	\$1.37	\$851	\$16.39	
					9/1/2020	8/31/2021	\$1.41	\$876	\$16.88	
				OPT 1	9/1/2021	8/31/2022	\$1.45	\$903	\$17.39	
					9/1/2022	8/31/2023	\$1.49	\$930	\$17.91	
					9/1/2023	8/31/2024	\$1.54	\$958	\$18.45	
				OPT 2	9/1/2024	8/31/2025	\$1.58	\$987	\$19.00	
					9/1/2025	8/31/2026	\$1.63	\$1,016	\$19.57	
					9/1/2026	8/31/2027	\$1.68	\$1,047	\$20.16	
Parcel B 26615-202	Vacant	874	2.10%							Space is currently donated to a Tenant named, Days and Nights.
Parcel B 26615-203	Seminole Financial Consultants	1,273	3.06%	2/1/2014	1/31/2020	\$1.05	\$1,331	\$12.18		CAM: NET TAX: NET
Parcel B 26617-100	Vacant	2,000	4.81%							
Parcel B 26611-26613	Wells Fargo Trust	8,598	20.68%	10/3/1997	2/28/2021	\$1.84	\$15,821	\$22.08		CAM: NET TAX: NET
					3/1/2020	2/28/2021	\$1.88	\$16,138	\$22.52	
				OPT 1	3/1/2021	2/28/2022	\$1.91	\$16,461	\$22.97	
					3/1/2022	2/28/2023	\$1.95	\$16,790	\$23.43	
					3/1/2023	2/29/2024	\$1.99	\$17,126	\$23.90	
					3/1/2024	2/28/2025	\$2.03	\$17,468	\$24.38	
					3/1/2025	2/28/2026	\$2.07	\$17,818	\$24.87	
				OPT 2	3/1/2026	2/28/2027	\$2.11	\$18,174	\$25.36	
					3/1/2027	2/29/2028	\$2.16	\$18,537	\$25.87	
					3/1/2028	2/28/2029	\$2.20	\$18,908	\$26.39	

Rent Roll (continued)

Parcel Building - Suite	Tenant	Sq. Ft.	% Total	Lease Start	Lease End	Contract Rent as of July-2019				Lease Provisions / Reimbursements
						Rent \$ PSF/Mo.	\$/Month	Rent \$ PSF/Yr.	% Growth	
				3/1/2029	2/28/2030	\$2.24	\$19,286	\$26.92	2%	
				3/1/2030	2/28/2031	\$2.29	\$19,672	\$27.46	2%	
TOTAL PARCEL B Sq. Ft.		26,159					\$34,106	\$409,267		
Parcel A		15,415								
Parcel B		26,159								
TOTAL GLA		41,574					\$57,537	\$690,446		
Total Occupied (A + B)		36,191	87%							
Total Vacant (A + B)		5,383	13%							

LOCATION AND MARKET ANALYSIS |



Carmel Valley Ranch | Carmel, CA



North View Aerial

Regional and Local Area Maps



Market Area Analysis



THE CROSSROADS AT CARMEL

Clementine & Co.
Rio Grill
The Treadmill
Consignment By The Sea
Sea Harvest
Metronome Dancewear Carmel
She
Michael Wallace Hair Design
Cinq Mondes Spa Carmel
Carmel Tack Shop
Heidi's Studio
Taste Morgan
Monterey Bay Bodyworks
Spencers Stationery
The UPS Store
RockFinders
Suds & Scissors
Tops n Travel
Anamal Hospital At Crossroads

CARMEL RANCHO

Carmel Barre
The Dance Center - Carmel
Carmel Vacuum & Appliance
Coffee Bank - Coming Soon!
Cornucopia Community Market
Cyclebar - Carmel Rancho
Glacier Bar
Keller Williams Coastal Estates
Kumon Of Carmel

Monterey Credit Union
Natural Veterinary Therapy
Owl Cleaners
Pizza Factory
Prim's Carmel General Store
Lucky California
Subway
Douglas Elliman Real Estate
Wells Fargo Advisors

THE BARNYARD

Steven Whyte Sculpture Studio
Jewel Boutique
Burton Art Studio
Jesse Powell Studio & Gallery
Mark Farina Art Studio
Johnny's Garden
Carmel Visual Arts
Lilli-Anne Price Fine Art
Footsie
Hedi's Shoes
Mary's Boutique
Patrick James Fine Clothing
Be Well Personal Fitness
Bellagio Salon
Carmel Laser Aesthetics
Cristina's Champu Connection
Marielle
Mindful Movement
Om Studios

Touché
Yolanda's
ZIBA Beauty Lounge
Elliott Frame Design
Carmel Gift and Travel
Tempel's of Carmel Florist
Carmel Gift and Travel
Big Sur International Marathon
Carmel Music Studio
Dr. Kimberly Rousseau
Studio Carver
Studio Schicketanz
The Print Shop Carmel
Lewis Builders
Emerson Development Group
Pieces of Heaven Fine
Chocolatier
Lafayette Bakery
Erik's Deli Café
Carmel Craft Brewing Company

Monterey County Overview

Monterey County is a county located on the Pacific coast of the U.S. State of California. As of the 2010 census, the population was 415,057. The county seat and largest city is Salinas. Monterey County comprises the Salinas, CA Metropolitan Statistical Area. It borders the Monterey Bay, Big Sur, State Route 1, and the 17 Mile Drive on the Monterey Peninsula, has made the county world-famous. The economy is primarily based upon tourism in the coastal regions and agriculture in the Salinas River valley. Most of the county's people live near the northern coast and Salinas Valley, while the southern coast and inland mountain regions are sparsely populated.

Monterey is one of the premier tourist destinations in the United States. Each year, the area attracts an estimated 4 million visitors. The area's diverse attractions, dramatic coastline, historic architecture, and access to marine wildlife all combine to drive this economic component. From the Monterey Bay Aquarium along Cannery Row, to the world-renowned Pebble Beach Golf Course nearby, Monterey continues to be a destination for visitors, which helps sustain the area's economy for its resident.

ECONOMY

Monterey county's economic mainstays now are tourism and the military. While tourism has always been a major component in the city's economy, it has become the dominant industry in the last 30 years, supporting more than one third of Monterey jobs. Today, hotel taxes provide 29 percent of the budget and the main source of funding for municipal services is derived from the visitor industry. The government employs 18 percent of the county's work-force. Other significant sectors of Monterey's economy include trade, transportation and utilities which account for 16 percent of all employment in the county. Workers in the leisure and hospitality sector, including arts, recreation, entertainment, accommodations and food service, make up 12 percent of the workforce.



DEMOGRAPHICS

COUNTY POPULATION

433,280

MONTEREY/SALINAS MARKET

771,637

AVG HOUSEHOLD INCOME

\$93,201

UNEMPLOYMENT RATE

3.2%



Monterey County Overview (continued)

EDUCATION

The University of California, Santa Cruz (also known as UC Santa Cruz or UCSC), is a public research university and one of 10 campuses in the University of California system. Located 75 miles (120 km) south of San Francisco at the edge of the coastal community of Santa Cruz, the campus lies on 2,001 acres (810 ha) of rolling, forested hills overlooking the Pacific Ocean and Monterey Bay.

TRANSPORTATION

Highways

Carmel-By-The-Sea is served by the north-south Highway 1, and the east-west Highway 68. Highway 1 is a major north-south state highway that

runs along most of the Pacific coastline of the U.S. State of California. At a total of just over 655.8 miles, it is the longest state route in California.

Public Transport

Carmel is served by the Monterey-Salinas Transit buses as well by Amtrak's Coast Starlight train, which stops in nearby Salinas. Amtrak runs a bus service from the Salinas station to Carmel.

Airports

Nearby Monterey Regional Airport has 40 flights in and out daily, with non-stop flights to Las Vegas, Los Angeles, Phoenix, San Diego and San Francisco and over 95 unique worldwide one-stop destinations.

The City of Carmel-by-the-Sea

The city of **CARMEL-BY-THE-SEA**, California (“Carmel”), incorporated in 1916, is a one square mile village surrounded by the unincorporated areas of Carmel, Pebble Beach, Carmel Valley and Carmel Highlands. It is located on the Pacific coast in Central California in Monterey County. It is 120 miles south of San Francisco, 70 miles south of San Jose, 330 miles north of Los Angeles and 26 miles north of Big Sur. Carmel-by-the-Sea is one of several suburban bedroom communities that surround the Monterey Bay. The city lies along the westerly side of Highway 1, which is the major commuter route to the employment centers of Monterey Bay. Carmel-by-the-Sea is a world famous destination, renowned for its picturesque charm, beautiful white sand beach, performing arts and hundreds of upscale shops, art galleries and world class restaurant

Carmel’s economy is driven by tourism, art & entertainment. In recent years, Chinese tourism in the US has exploded with California being the #1 destination. There is now a direct flight from Beijing to San Jose resulting in a large number these tourist coming to the monterey peninsula, specifically Carmel. On average, Chinese visitors spend \$6,000 per person per visit. This boom in tourism accounts for up to two-thirds of the cities annual \$23 million budget.

CARMEL DEMOGRAPHICS

CITY POPULATION

3,935

MONTEREY/SALINAS MARKET

771,637

AVG HOUSEHOLD INCOME

\$118,145

UNEMPLOYMENT RATE

1.3%

THE CROSSROADS - CARMEL-BY-THE-SEA

A local landmark for over forty years, The Crossroads Carmel is a full service lifestyle shopping center combining daily necessities, upscale boutiques, unique restaurants and personal service establishments.

Conveniently located at scenic Highway One and Rio Road in Carmel, the center is 204,000 square feet and is anchored by Safeway, CVS Pharmacy, Pet Food Express, and Ace Hardware. Charming Crossroads Boulevard with its architecturally intriguing store fronts, vibrant landscaping and quaint courtyards is home to many of Carmel’s premier retailers and favorite restaurants. The center is highly inviting and promotes a relaxed shopping experience for local residents as well as visitors to the Monterey Peninsula. The Monterey Peninsula is a world renowned destination for day travelers, national and international tourists visiting the West Coast, playing host to more than 8.5 million tourists annually with an economic contribution of \$2.0 billion dollars to the county. This dynamic region is visited for its picturesque landscapes and charming villages and is host to more than 250 lifestyle events annually.

Center strengths:

- Excellent location immediately off Highway 1
- Specialty shopping Center known throughout the Monterey Peinsula
- Charming village ambiance attracts alls types of people not only for shopping but also for social gatherings
- Last shopping center before reaching Big Sur (25 miles South)
- Strong surrounding demographics

MARKETING PROCESS |



Carmel Beach | Carmel, CA

Marketing Process

Cushman & Wakefield has been authorized to prepare and distribute the descriptive materials for the purpose of soliciting offers to purchase the properties comprising the Carmel Properties Portfolio.

Interested and qualified parties are invited to review this opportunity and make an offers to purchase based their analysis. The Properties of the Carmel Properties Portfolio are being offered individually, in groups or as a complete portfolio.

Review Period & Deadline for Offers

After an initial review period, we will solicit for offers and expressions of interest. Thereafter, the Owner may selectively distribute additional data to interested parties who have submitted compelling, qualified proposals.

Buyer Negotiation & Selection

If your offer results in the owner choosing to open negotiations with you, you may be asked to provide financial references. The eventual Buyer will be chosen based on an assessment of price, terms, and a demonstrated ability to close the transaction.

Due Diligence Period

With an executed purchase and sale agreement, combined with an initial deposit, the selected Buyer will be afforded a fixed period of time to perform its due diligence on the Property. A significant additional deposit will be required with the Buyer's removal of contingencies upon the end of the due diligence period.

Acquisition Financing

The Properties are being offered free and clear of debt. Buyers anticipating the use of acquisition financing are encouraged to exclude a finance contingency in their offers.





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