

OFFERING MEMORANDUM



**BAKERSFIELD
CALIFORNIA**

Densely Populated Area
In Busy CVS Anchored Center

Marcus & Millichap



CONFIDENTIALITY AND DISCLAIMER

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

SPECIAL COVID-19 NOTICE

All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.

NON-ENDORSEMENT NOTICE

Marcus & Millichap is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation or Marcus & Millichap, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of Marcus & Millichap, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

Marcus & Millichap

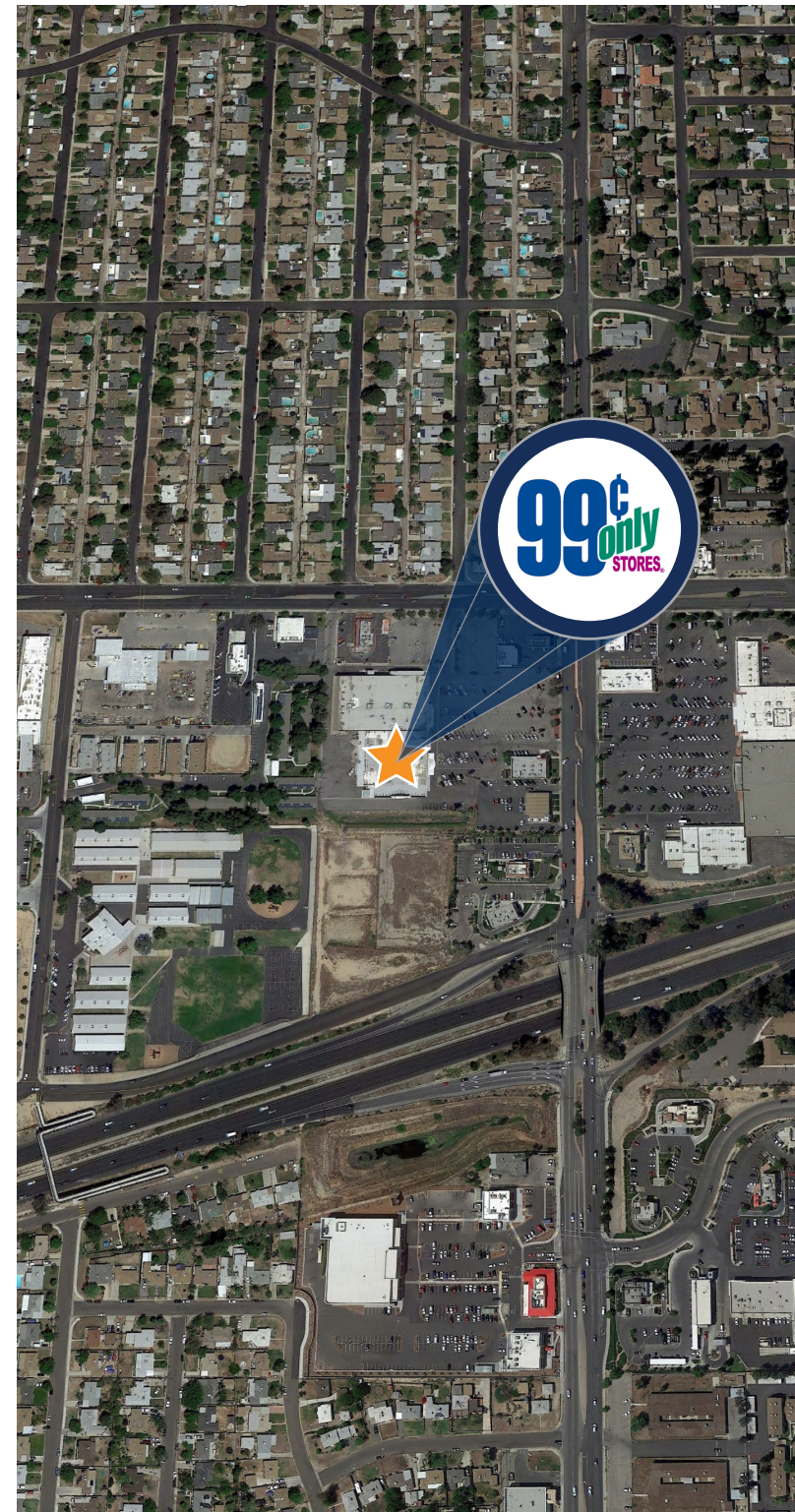


TABLE OF CONTENTS

Investment Summary	5
Investment Highlights.....	7
Aerial Map	11
Site Plan	13
Headline News	15
Tenant Summary.....	16
Location Highlights.....	18
Location Overview	18
Location Map	21
Demographics.....	22

Marcus & Millichap







INVESTMENT SUMMARY

2682 MT VERNON AVENUE, BAKERSFIELD, CA 93306

PRICE: \$4,494,000

CAP: 6.00%

RENT: \$269,615

OVERVIEW

Price	\$4,494,000
Gross Leasable Area (GLA)	± 28,848 SF
Lot Size (approx.)	± 2.55 Acres
Net Operating Income	\$269,615
CAP Rate	6.00%
Year Built	1973

LEASE ABSTRACT

Lease Type	NNN
Lease Term	13 Years
Lease Start (estimate)	4/28/2017
Lease Expiration (estimate)	1/31/2030
Renewal Options	4x5
Increases	Written into lease, see side bar
Landlord Obligation	None

Site was originally an Albertson's.

ANNUALIZED OPERATING DATA

Lease Term	Annual Rent
4/28/2019	\$269,615
4/28/2024	\$280,399
Option 1	\$291,615
Option 2	\$303,280
Option 3	\$315,411
Option 4	\$328,028

99¢
only
STORES

INVESTMENT HIGHLIGHTS

- ◆ Strategically located along California State Route 178
- ◆ High volume retail intersection.
- ◆ Located in a busy CVS anchored center.
- ◆ Densely populated residential community with more than 220,530 residents in the immediate area.
- ◆ In close proximity to Bakersfield Community College with 17,700+/- student body population contributing to the traffic in the immediate area.
- ◆ Essential retailer - pandemic and recession resistant tenant.
- ◆ Heavily trafficked area with strong visibility and ease in ingress/egress where more than 35,400+ vehicles pass in front of site daily.
- ◆ Adjacent to multi-family Zoned R-3 of 2.78 acres of new future development housing along Height Street.



226,965
TOTAL
POPULATION
WITHIN 5-MILE
RADIUS



\$52,776
AVERAGE
HOUSEHOLD
INCOME WITHIN
5-MILE RADIUS



22,049 VPD - MOUNT VERNON AVE
13,399 VPD - COLUMBUS STREET

Marcus & Millichap





INVESTMENT HIGHLIGHTS

Strategically located in ninth-most populous city in California. With an economy run primarily by agriculture and oil production, residents are accustomed to shopping at their local 99 Cent Only Store.

The site is in a hub filled with national retailers that is expanding in an attempt to keep up with the growing community.

Other retailers in the immediate area include CVS, Chase Bank, Arco, McDonald's, Family Dollar, DD'S Discounters, Lowe's, Home Depot, Target, a WalMart Supercenter, and Albertsons.



Peace of mind passive investment opportunity. No landlord responsibilities on a true NNN lease.



Largest draw to the region are the two major Target and WalMart Super Center stores both located near the subject property.



Expected high flows of traffic due to the scheduled redesign of adjacent mall (City Lights).



Barriers to entry due to long-standing lease and establishment of 99 Cent Only Store.



Surrounded by a large population of 226,469 within a 5-mile radius.



Tenant has the corner of the market. Nearest national competitor is more than 2.5 miles from the site.





Bakersfield College

CVS
pharmacy

ARCO

BURGER
KING

CHASE

KFC

Denny's

FROSTY
KING

TACO
BELL

99c
only
STORES.

McDonald's

dd's
DISCOUNTS

verizon

Albertsons

FAMILY DOLLAR
my family, my handy dollar.

COLUMBUS STREET - 13,399 VPD

CA STATE ROUTE 178 - 52,500 VPD

Future Development
(City Lights Project)

LOWE'S

Foods Co.

Farmer Boys

Future Multi-Housing
Development

Smart & Final

Sizzler

RITE
AID

Panda Express

Pollo Loco

THE HOME
DEPOT

Walmart
Supercenter

BIG
LOTS!

Target

BIG 5
SPORTING GOODS

GameStop

♥ **CVS** pharmacy
y más

99¢
only
STORES

Denny's

CHA

SITE PLAN





HEADLINE NEWS

99 CENTS ONLY STORES APPOINTS CHIEF FINANCIAL OFFICER

March 11, 2020 - General News

PRESS RELEASE: 99 Cents Only Stores LLC, announced that Ashok (Ash) Walia has been appointed Chief Financial Officer, where he will be responsible for overseeing finance, accounting, treasury, marketing and IT functions for the Company. Mr. Walia's expected commencement date is August 27, 2018. He will succeed Felicia Thornton, who will continue in her position as Vice Chair of the Board of Directors of Number Holdings, Inc., the Company's direct parent.

Mr. Walia brings a wealth of financial leadership, retail and supply chain expertise to his new role at 99 Cents Only Stores. Most recently, he served as Senior Vice President of Corporate Finance at Starbucks Corporation, where he was responsible for leading corporate finance with a focus on controllership, treasury, post M&A integration, global tax and customs as well as U.S. facilities management. In this capacity, Mr. Walia had oversight of capital spend on a company-wide basis from a financial planning and analysis perspective. Prior to that, he was Starbucks' Senior Vice President of Global Integrated Logistics/ Supply Chain Business Operations. In this role, Mr. Walia was responsible for enterprise-wide supply chain logistical operations and finance and accounting. Prior to his roles at Starbucks, Mr. Walia held positions of increasing responsibility at the Kellogg Company culminating as Global Vice President, Finance, where he had financial oversight for manufacturing, logistics, direct store delivery and capital management operations at various manufacturing facilities. Mr. Walia holds a Bachelors of Commerce degree from the University of Delhi, New Delhi.

"I am delighted to welcome Ash as our new CFO," said Jack Sinclair, Chief Executive Officer of 99 Cents Only Stores. "Ash has decades of highly relevant experience at prominent multinational consumer companies, where his expertise in finance, operations, logistics and supply chain management contributed to significant improvements to operational efficiencies and bottom-line profitability. We believe he will be an excellent fit and is ideally suited to lead the finance, IT and Marketing teams at 99 Cents Only Stores as we execute our operational, financial and strategic objectives."

Mr. Walia commented, "99 Cents Only Stores is one of the most differentiated names in deep-discount retail and I couldn't be more excited to serve as the Company's new CFO. The talented team at 99 Cents Only Stores has created a solid foundation and I look forward to building on the strong operating momentum and helping the Company achieve the next level of growth and profitability."

Mr. Sinclair concluded, "I am extremely grateful for the contributions that Felicia Thornton has made to the Company while serving as our CFO and Treasurer during the past three years. She has been an invaluable partner and highly effective leader during a critical period for the Company. I am pleased that the senior leadership team and I will continue to draw on her wisdom and expertise as she remains in her role with the Company as Vice Chair of the Board."

Arete Shen will succeed Ms. Thornton as Treasurer of the Company and Number Holdings, Inc., and continue to serve in her current capacity as Controller for the Company. Ms. Shen joined the Company as Controller in 2016.



TENANT SUMMARY

99 CENTS ONLY STORES

99 Cents Only Stores is an American price-point retailer chain based in Commerce, California. Previously, the store offered all products at 99¢ or less. The company also operates Bargain Wholesale, which sells wholesale to retailers across the United States and exports to more than 15 countries from showrooms in Los Angeles. It also exhibits at trade shows in Las Vegas and Chicago. With over 388 locations and 12,000 employees, their annual revenue is upwards of \$1.5 billion.

- ◆ Leading operator of extreme value stores, in California and the southwestern United State.
- ◆ Stores are located in California, Texas, Arizona, Nevada.

99 CENTS ONLY STORES



COMMERCE, CA
HEADQUARTERS

1982
FOUNDED

388
LOCATIONS

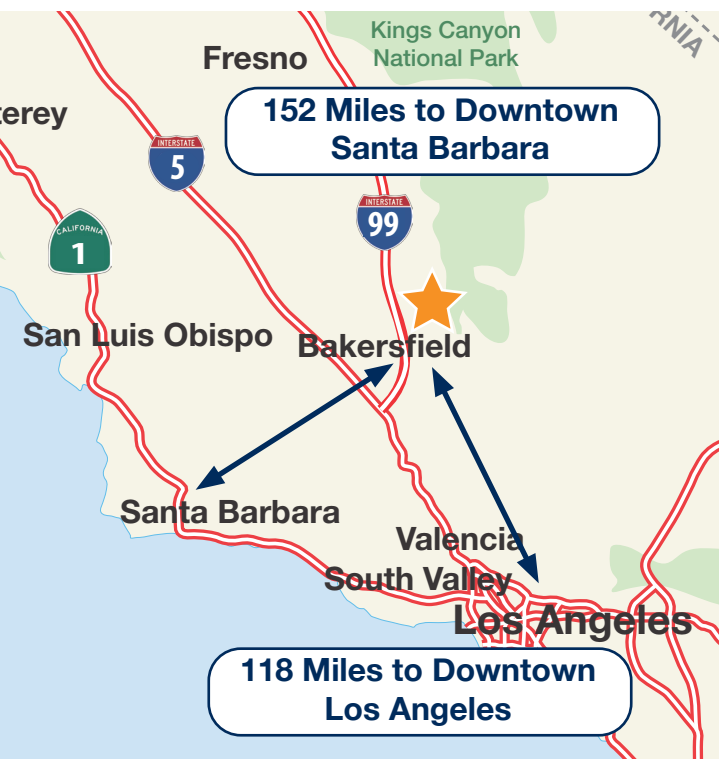
CORPORATE
TENANT

DISCOUNT,
VARIETY STORE
INDUSTRY

GEOFFREY J.
COVERT
CEO

JASON
KIDD
COO





MAJOR EMPLOYERS: 2017 BAKERSFIELD, CA

County of Kern	7,274
Kern High School District	4,279
Bakersfield City School District	3,673
Dignity Health	3,398
Adventist Health Bakersfield	2,718
Panama-Buena Vista Union School District	2,312
Wm. Bolthouse Farms	1,802
Kern Medical Center	1,796
Kern County Superintendent of Schools	1,623
City of Bakersfield	1,443

LOCATION HIGHLIGHTS

BAKERSFIELD, CA

THE MOST OIL PRODUCTIVE COUNTY IN AMERICA



Located along the retail hub corridor of the region (surrounded by area's destination retailers)



New expansion and development projects in immediate area for both residential and retail developments



Easy accessibility to the intersection off California State Route 178 with off ramps directly onto Mt. Vernon Avenue and Height Street



Strong in-fill location



BAKERSFIELD, CALIFORNIA

Bakersfield is a city in Kern County, California. It serves as the county seat of Kern County and is part of the Bakersfield-Delano metropolitan area. It is a thriving community and is located north of Los Angeles. Interstate 5 runs right to the left of the city, making transportation easy and accessible. The city's strong economy and historic downtown area make it the perfect place for businesses to thrive.

There are various attractions that bring people to the streets of Bakersfield. One of the most exciting things to do in the city is to visit the Kern County Museum. This museum offers all visitors a tour that makes the museum look like a traditional old town. The busiest season is during Christmas, as the place is decorated, and the special events bring families from all over. Bakersfield is also home to Kern River Canyon. The area is proclaimed as California's best kept secret, with 360-degree views. The area draws visitors from all over due to its ease of accessibility and can host many activities, such as hiking, fishing, and camping. The Valley Plaza Mall also is in Bakersfield. This mall boasts many eateries and shops that will keep any shopaholic busy. The mall is home to a 16-screen movie theater and many upscale eateries. Bakersfield is also home to Lake Isabella. Being one of the largest reservoir's in the state, many come from hours away to enjoy a great day at the lake. Activities can range from hiking and camping to windsurfing and jet skiing. The lake is also located in the Sequoia National Forest, one of the biggest forests in California and near landmarks such as Sequoia National Park and Mount Whitney.

Kern County, being a part of Bakersfield, is the most productive oil-producing county in the U.S. and the fourth-most productive agricultural county in the U.S. The two industries, oil and agriculture, have historically been the most productive sectors in the state of California, bringing a large workforce to Bakersfield and its surrounding areas. Bakersfield is also home to the largest carrot distributor in the world, Grimmway Farms, which has approximately 4,000 employees. Giumarra Farms, one of the world's largest producers of fruit, is also located in Bakersfield. More than 4,500 employees work at Giumarra. Major oil companies also have large refineries centered around Bakersfield in Kern County. These companies take up a large number of workers in these areas and more than 100,000 people work for these companies that live in Bakersfield. Some of the major oil companies in Bakersfield include, Chevron, Occidental Petroleum, and A.R.C.O. Bakersfield also has many migrant workers, as more than 100,000 people who are migrants work in agricultural and oil industries that are primarily centered in Kern County.

Bakersfield also has a growing manufacturing and distribution sector. Many companies have relocated their headquarters to Bakersfield due to its proximity to Los Angeles and its inexpensive land. Bakersfield also is the largest city that has the lowest sales tax in California, standing at 7.25%. Millions of employees are within a 1-hour radius of Bakersfield, which makes finding workers for any business a breeze.



CALIFORNIA



Bakersfield

DEMOGRAPHICS / BAKERFIELD, CA



226,965

Total Population
Within 5-Mile Radius



\$52,776

Average Household Income
Within 5-Mile Radius



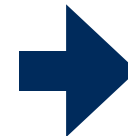
\$37,794

Median Household Income
Within 5-Mile Radius



69,225

Total Households Within
5-Mile Radius



16.80%

From 2000



POPULATION	1 MILE	3 MILES	5 MILES
2022 Projection			
Total Population	19,637	120,690	226,965
2017 Estimate			
Total Population	19,994	119,930	221,053
2010 Census			
Total Population	19,404	114,369	208,766
2000 Census			
Total Population	19,382	104,206	181,817
Current Daytime Population			
2017 Estimate	25,491	122,640	236,288
HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2022 Projection			
Total Households	6,302	36,886	72,638
2017 Estimate			
Total Households	6,269	35,739	69,225
Average (Mean) Household Size	3.09	3.25	3.12
2010 Census			
Total Households	6,038	33,906	65,053
2000 Census			
Total Households	6,256	31,980	59,266
Occupied Units			
2022 Projection	6,302	36,886	72,638
2017 Estimate	6,768	38,150	73,961
HOUSEHOLDS BY INCOME	1 MILE	3 MILES	5 MILES
2017 Estimate			
\$150,000 or More	2.20%	3.94%	3.87%
\$100,000 - \$149,000	8.51%	7.15%	7.59%
\$75,000 - \$99,999	14.04%	9.93%	9.92%
\$50,000 - \$74,999	18.81%	16.90%	17.43%
\$35,000 - \$49,999	15.53%	14.63%	14.34%
Under \$35,000	40.92%	47.46%	46.87%
Average Household Income	\$54,869	\$52,426	\$52,776
Median Household Income	\$42,501	\$37,155	\$37,794
Per Capita Income	\$17,657	\$15,898	\$16,730

HOUSEHOLDS BY EXPENDITURE	1 MILE	3 MILES	5 MILES
Total Average Household Retail Expenditure	\$63,068	\$57,699	\$58,733
Consumer Expenditure Top 10 Categories			
Housing	\$19,110	\$17,716	\$17,886
Shelter	\$12,699	\$11,836	\$11,978
Transportation	\$9,969	\$8,996	\$9,075
Food	\$6,537	\$6,146	\$6,179
Personal Insurance and Pensions	\$5,365	\$4,853	\$4,928
Health Care	\$3,430	\$3,028	\$3,028
Utilities	\$3,063	\$2,837	\$2,844
Entertainment	\$2,381	\$2,182	\$2,202
Apparel	\$2,007	\$1,898	\$1,938
Household Furnishings and Equipment	\$1,414	\$1,294	\$1,302

POPULATION PROFILE	1 MILE	3 MILES	5 MILES
Population By Age			
2017 Estimate Total Population	19,994	119,930	221,053
Under 20	33.29%	35.17%	34.50%
20 to 34 Years	23.09%	24.14%	24.08%
35 to 39 Years	6.07%	6.16%	6.16%
40 to 49 Years	10.74%	10.81%	10.97%
50 to 64 Years	15.04%	14.27%	14.91%
Age 65+	11.78%	9.47%	9.40%
Median Age	30.51	28.76	29.31
Population 25+ by Education Level			
2017 Estimate Population Age 25+	11,774	67,561	126,634
Elementary (0-8)	12.93%	15.83%	13.64%
Some High School (9-11)	13.31%	15.21%	15.23%
High School Graduate (12)	27.18%	27.00%	28.56%
Some College (13-15)	26.64%	22.15%	23.30%
Associate Degree Only	6.26%	5.58%	5.87%
Bachelors Degree Only	6.83%	6.59%	6.43%
Graduate Degree	4.02%	3.61%	3.40%



**BAKERSFIELD
CALIFORNIA**

Marcus & Millichap