



BRAND NEW 7 YEAR
NNN LEASE

OFFERING MEMORANDUM

NESTLÉ DREYERS ICE CREAM | SINGLE TENANT NNN LEASE
144 North Echo Lane, San Marcos, CA 92069



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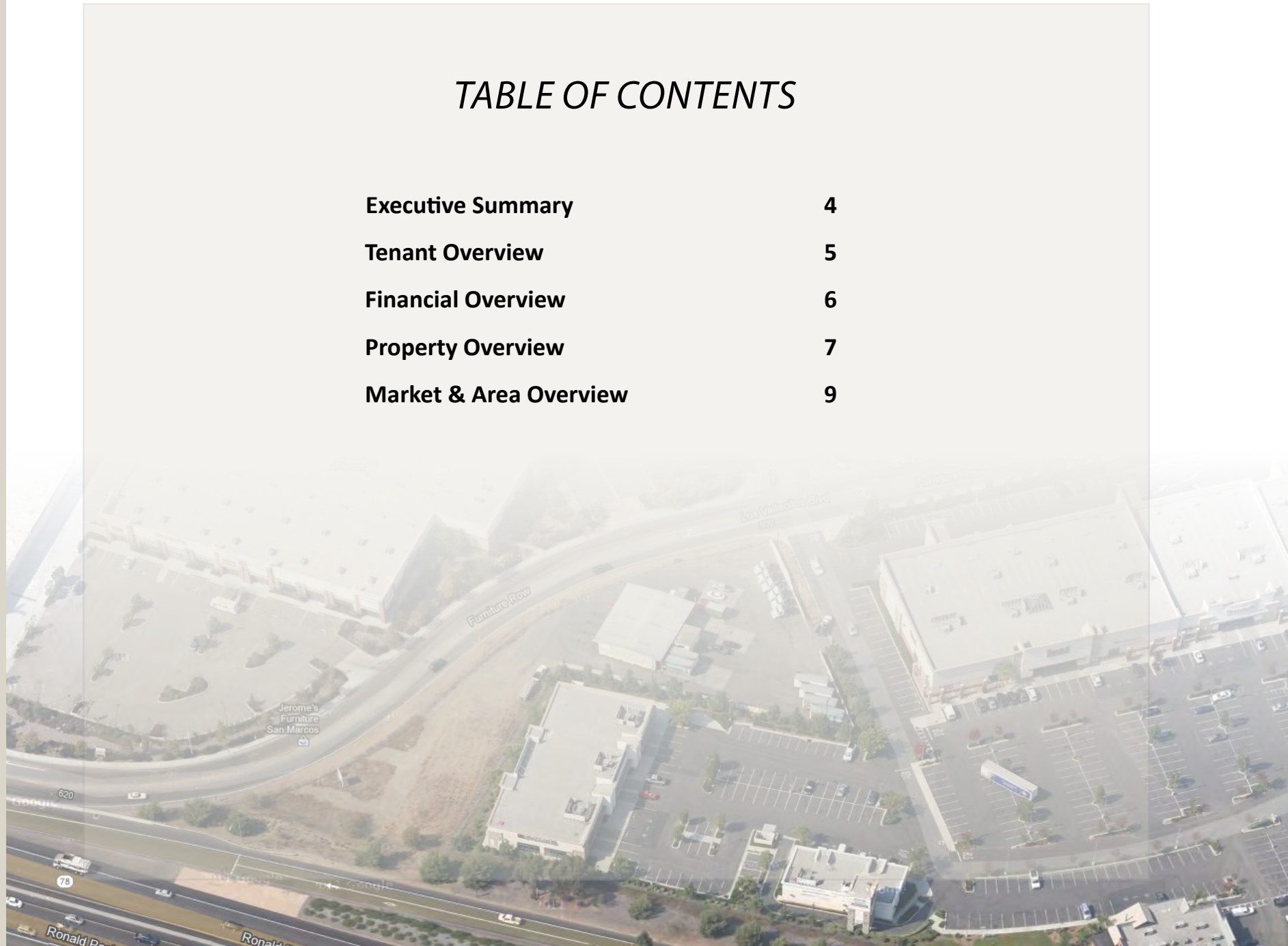
Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release Lee & Associates & Colliers International Investments and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this single-tenant property.



TABLE OF CONTENTS

Executive Summary	4
Tenant Overview	5
Financial Overview	6
Property Overview	7
Market & Area Overview	9



INVESTMENT HIGHLIGHTS



Nestlé Product Development Center

Nestlé Dreyer's Ice Cream Company is a wholly owned subsidiary of Nestlé USA, and is owned by Nestlé S.A. of Vevey, Switzerland, the world's largest nutrition, health and wellness company. Nestlé Dreyer's Ice Cream Company manufactures, markets and distributes a full spectrum of ice cream and frozen snacks. The company's premium products are marketed under the Dreyer's brand name throughout the Western states and Texas, and under the Edy's® brand name throughout the remainder of the United States. Brands manufactured or distributed in the United States include DREYER'S/EDYS® GRAND, SLOW CHURNED®, DIBS®, MAXX, OUTSHINE®, NESTLE CRUNCH®, DRUMSTICK®, BUTTERFINGER®, TOLL HOUSE®, PUSH-UP®, FROSTY PAWS®, ESKIMO PIE®, SKINNY COW® and HÄAGEN-DAZS®. Internationally, the Dreyer's brand extends to select markets in the Far East and the Edy's brand extends to the Caribbean and South America.

NESTLÉ S.A. FACTS:

- World's largest Food Company
- 2013 Revenues: \$92 Billion; 2012 Revenue: \$89 Billion
- Over 8,000 Brands
- **Credit Rating: S&P: AA; Moody's: AA2**

STABLE INCOME - EASE OF MANAGEMENT:

- Brand new 7 year NNN leases with Options
- Attractive rental increases 3% per annum
- Additional Tenant Improvement reimbursement to new owner
- Property currently undergoing extensive tenant improvements - ease of management

EXCELLENT LOCATION:

- Irreplaceable freeway frontage / visibility on major freeway in Southern California
- Excellent traffic counts – over 160,00 cars per day on State Route 78

NEW PROPERTY IMPROVEMENTS:

- In excess of \$250,000 of improvements done to the property, including but not limited to:
- Complete upgrade to electrical power to the building
- Upgrade and Improvements to offices and restrooms
- Parking lot improvements

PERFECT 1031 EXCHANGE PROPERTY:

- No existing financing in place
- Brand New 7 Year NNN lease – good annual increases – effective inflation hedge
- Strong Southern California location (North San Diego County) with excellent frontage on freeway.

LONG TERM REDEVELOPMENT OPPORTUNITY:

- Infill site with direct freeway visibility
- Future retail development opportunity in high demographic market

LEASE SUMMARY

LEASE SUMMARY	
Tenant Trade Name:	Nestlé Dreyer's Ice Cream
Occupancy:	100%
Number Of Tenants:	1
Building Size:	4,760 SF
Land Size (2 Parcels):	+/- 1.2 Acres
Parcel 1 Number:	219-172-58
Parcel 2 Number:	219-172-59
Lease Term:	7 Years
Term Remaining On Lease:	7 Years
Current Base Rent:	\$111,048 (Includes Tenant Improvement Reimbursement)
Tenant Improvement Reimbursement:	\$9,055.56/Yr For Full Term Of Lease
Lease Type:	Single Tenant NNN Investment
Traffic Counts:	160,000 CPD - State Route 78
Market:	San Marcos, California (San Diego County)



FINANCIAL ANALYSIS

INVESTMENT HIGHLIGHTS

Price:	\$2,019,054
NOI:	\$111,048
CAP:	5.5%
Price/SF:	Building: \$120/SF Land: \$37/SF

PROPERTY OVERVIEW

Address:	144 North Echo Lane San Marcos, CA 92069
Tenant:	Nestlé Dreyer's Ice Cream
Building Size:	4,760 Sq. Ft. (Approx.)
Land Size:	1.2 Acres (Approx.)
Ownership:	Fee Simple

TERMS, BASE RENT & OPTIONS

Lease Commencement:	July 1, 2014
Lease Expiration:	June 30, 2021
Lease Term:	New 7 Year Lease
Base Rent Schedule:	Year 1: \$102,000 Year 2: \$105,000 Year 3: \$108,212 Year 4: \$111,458 Year 5: \$114,800 Year 6: \$118,245 Year 7: \$121,793
Tenant Improvement Reimbursement:	\$9,055/Year
Total NOI:	\$111,048 (First Year)
Options:	Option 1: \$125,447 Option 2: \$141,191
Lease Type:	Single Tenant NNN
Tenant Option To Purchase:	None
Lease Termination Clause:	Lessee may terminate lease at the end of 5th year (with 9 month notice). In the event Lessee elects to terminate lease, Lessee is to pay Lessor \$75,579.

PROPERTY INFORMATION

ADDRESS

144 North Echo Lane - San Marcos, CA 92069
(Cross Dock Facility)

MARKET/SUBMARKET

San Diego County/San Marcos

PRICE

\$2,019,054

CURRENT NOI

\$111,048

CAP RATE

5.5%

PARCEL NUMBERS

Parcel 1: 219-172-58
Parcel 2: 219-172-59

BUILDING AREA

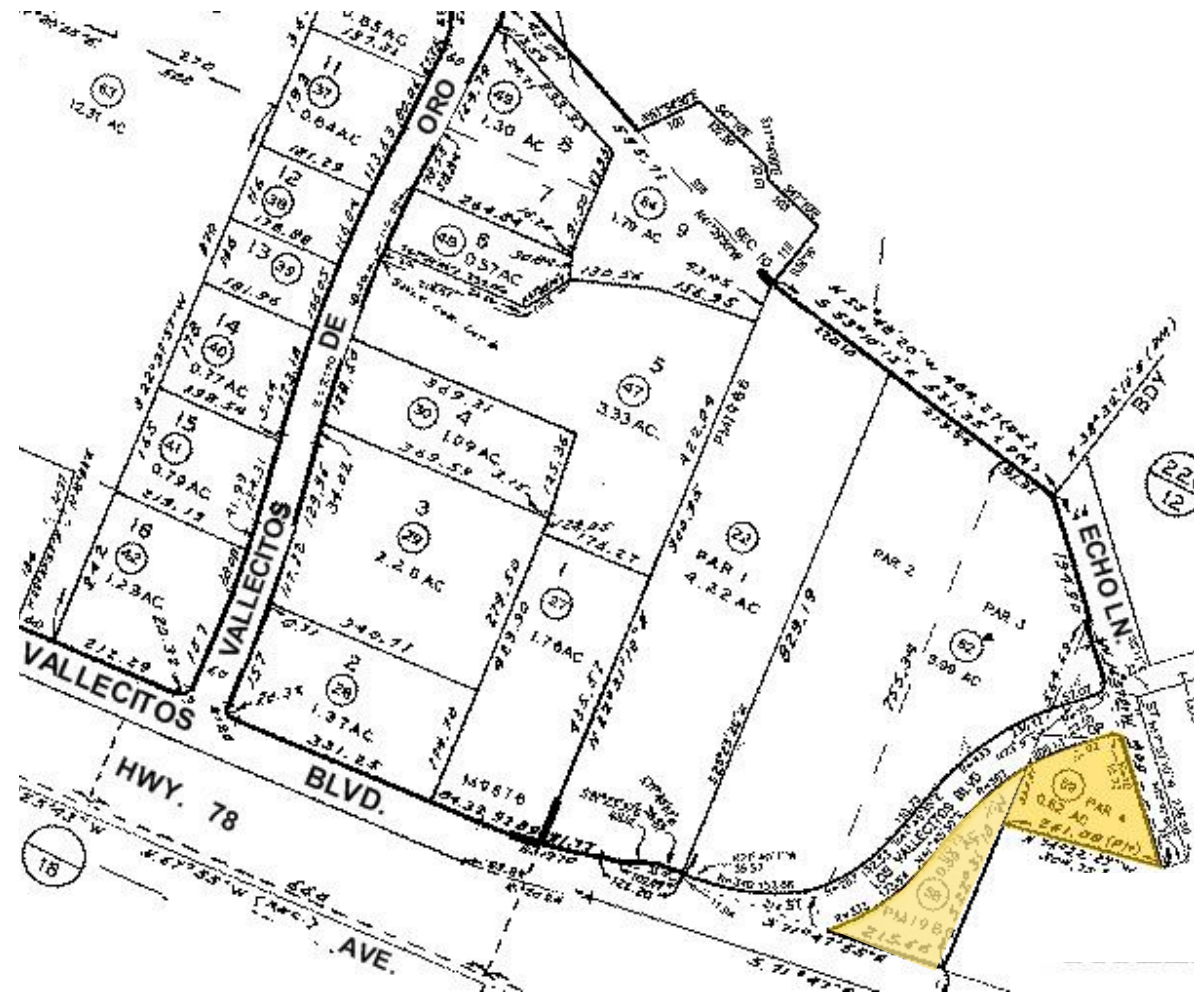
4,760 SF

LAND AREA

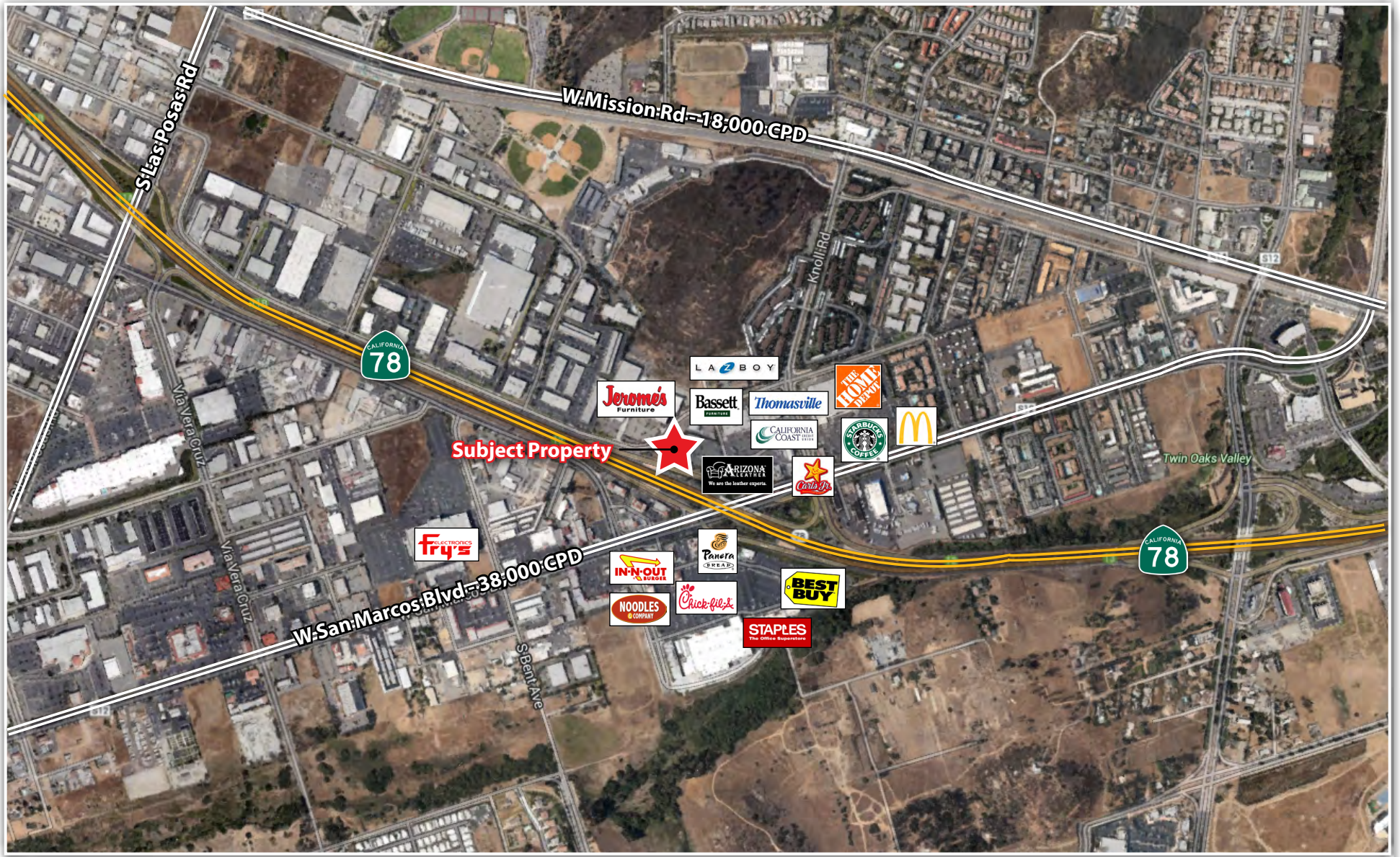
+/- 1.2 Acres

VISIBILITY & FRONTAGE

Excellent frontage/visibility on State Route 78



TENANT AERIAL



MARKET OVERVIEW

San Marcos is a suburb of San Diego in the North County section of San Diego County, California. As of the 2010 census, the city had a total population of 83,781. Outside the San Diego region, it is best known as the home of California State University, San Marcos. The city is bordered by Escondido to the east, Encinitas to the Southwest, Carlsbad to the west, and Vista to the northwest.

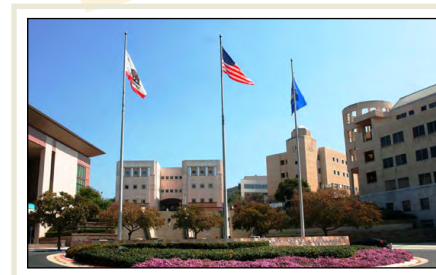
San Marcos is located 35 miles from Downtown San Diego. San Diego is the eighth-largest city in the United States and second-largest city in California. The city is located on the coast of the Pacific Ocean in Southern California, immediately adjacent to the Mexican border. San Diego is known for its mild year-round climate, natural deep water harbor, extensive beaches, and long association with the U.S. Navy.



Economic Overview: San Marcos is one of the leading cities in the percentage change in population from 2000 to 2007, with an increase in 45 percent. According to the San Diego Association of Governments (SANDAG), San Marcos will continue to be one of the fastest growing cities in San Diego County over the next 20 years.

1. The City benefits from its transportation hub location in North County - it is bisected by SR 78 between Interstate 5 and 15. Other regional arteries are: San Marcos Blvd/Palomar Airport Road, Rancho Santa Fe Rd and Twin Oaks Valley/San Elijo Road.
2. The educational institutions are second to none. California State University at San Marcos (CSUSM) is currently serving 9,200 students with enrollment increasing annually. Palomar College has an enrollment in excess of 30,000 full and part-time students. The San Marcos Unified School District is educating over 17,200 students.
3. San Marcos is 72 percent built out with developable acreage still remaining for future development and/or redevelopment.
4. The Sprinter light rail commuter system has 3 stops in San Marcos and one stop just over the city line in Escondido. They are already attracting new development.
5. Land prices are still lower compared to other North San Diego County cities.

San Marcos has designated three Redevelopment Project Areas that encompass approximately 80% of its available land, making the vast majority of the City eligible for redevelopment.



MARKET OVERVIEW

EXECUTIVE SUMMARY	1 MILE	3 MILES	5 MILES
Total Population:	14,378	83,428	185,703
Average HH Income:	\$54,439	\$72,823	\$78,417
Median HH Income:	\$51,811	\$63,655	\$66,214



Tourism: Quality centers like Creekside Marketplace, Nordahl Center, Grand Plaza and Old California Restaurant Row have all become popular shopping and dining destinations, and plans for thoughtful future developments like the San Marcos Downtown Creek District, Palomar Station and University Village will quickly put San Marcos on the map as a regional shopping, dining and entertainment destination. Community theatre, music and fine arts organizations are also alive and well in San Marcos.

Population: As of the 2010 census, San Marcos had a total population of 83,781. The population density is 3,435.1 people per square mile. In the city the population is spread out with 29.1% under the age of 18, 9.4% from 18 to 24, 32.3% from 25 to 44, 17.3% from 45 to 64, and 11.9% who are 65 years of age or older.

TOP EMPLOYERS - San Marcos	NUMBER OF EMPLOYEES
Hunter Industries	824
United Parcel Service	448
Wal-mart	315
Fry's Electronics	304
Lusardi Construction	300
Oncore Manufacturing Services	280
TriStaff	271
Costco	256
Kaiser Permanente	240

History: San Marcos initially started to grow rapidly in 1956 when the first water from the Colorado River arrived. Afterwards, several small businesses started and the population increased to 2,500. In 1950, the first dirt was turned for the construction of Highway 78. San Marcos' first high school was completed in June 1961. Through the 1960s, the City grew by a few thousand new residents, but in the 1970s San Marcos was flourishing as the third fastest-growing city in the state with a population of 17,479 by 1980. During the 1980s, San Marcos almost doubled its population to 33,800.



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