



Retail Leased Investment

217 East Gobbi Street · Ukiah, California



CONFIDENTIALITY & DISCLOSURE AGREEMENT

217 E. Gobbi Street

Ukiah, California

Northgate Commercial Real Estate (“Broker”) has been authorized by the Seller of the Property (“Seller”) to prepare and distribute the enclosed information for the purpose of soliciting offers to purchase from interested parties. Additional information in the possession of the Seller including but not limited to financial, tenant, title, and building can be made available upon request following the mutual execution of letter of intent (LOI) and/or Purchase and Sale Agreement (PSA). All prospective Buyers may at the request of Seller, be required to submit financials and references to demonstrate Purchasers ability to close on the purchase of the property. The eventual Purchaser shall be selected on the Sellers assessment of the price, terms, and the ability to close the transaction and such conditions as set for in the contract. Seller, reserves the right to simultaneously negotiate with multiple Purchasers at Seller’s sole discretion. Prospective purchasers and their agents may not enter the property or disturb the tenant without Brokers consent. All property tours shall be conducted by appointment only and must be coordinated by Broker. All the information contained in this offering memorandum has been obtained by sources deemed reliable but are not guaranteed. Prospective Purchasers shall bear the responsibility of conducting their own investigations on the property and review of the due diligence materials as provided by the Seller.

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Ukiah, California

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EXECUTIVE & INVESTMENT SUMMARY

217 E. Gobbi Street

Ukiah, California

ASSET SUMMARY

MARKET VALUE	\$2,322,000
PRICE / SQUARE FOOT	\$163.67
CAP RATE	7.25%
NOI	\$168,312
OCCUPANCY	100%
GLA	± 14,187 Sq FT
LOT SIZE	± 1.06 Acre

ASSET HIGHLIGHTS

- 100% occupied by national tenants, Kelly-Moore Paints, Cosmo Prof and Apria Healthcare
- Corporate guaranteed leases
- Occupied By Kelly-Moore Paint Co. Since 2004
- Services the 45 mile trade area encompassing approximately 188,503 people
- Trade Area Tenants include Safeway, Regal Cinemas, Rite Aid, Home Depot, Kohl's, Ross, JC Penny, Big 5 Sporting Goods and more

TENANTS

- Kelly-Moore Paint Co.
- Apria Health
- Sally Beauty Systems



PROPERTY OVERVIEW

217 E. Gobbi Street

Ukiah, California



PROPERTY SUMMARY

217 E. Gobbi Street

Ukiah, California

LOCATION: 217 EAST GOBBI STREET

CITY, STATE: Ukiah, CA 95482

APN: 003-581-29

GLA: ± 14,187 Sq Ft

LOT SIZE: ± 1.06 Acre

ZONING: Commercial (C)



FINANCIAL OVERVIEW

217 E. Gobbi Street

Ukiah, California

FINANCIAL STRUCTURE

Scheduled Gross Income	Actual-In-Place	Rent Proforma Amount
Base Rent	\$173,340	\$173,340
Expense Recoveries	\$44,342	\$53,401
Other Income	\$0	\$0
Lease-Up Available Space	\$0	\$0
Subtotal	\$217,682	\$226,741
Effective Gross Income	\$217,682	\$226,741
Less Expenses	\$49,370	\$58,529
Net Operating Income	<i>\$168,312</i>	<i>\$168,212</i>

ESTIMATED OPERATING EXPENSES

EXPENSE TYPE	Owner's 2016 Estimated	2017 Proforma Amount
Taxes	\$15,322	\$23,801
Insurance	\$1,702	\$1,736
CAM's	\$32,346	\$32,993
Total	\$49,370	\$58,529
Annual Per Square Foot	\$3.48	\$4.13
Monthly Per Square Foot	\$0.29	\$0.34

ASSUMPTIONS

Proforma property tax rate: 1.025%

RENT ROLL

Suite	Tenant	Ste Size (Sq Ft)	Monthly Base Rate	% of Total Bldg Sq Ft	Mon Rent (PSF)	Ann Rent (PSF)	% of Total Bldg Income	Mon Mkt Rent (PSF)	Ann Mkt Rent (PSF)	Lease Type	Start Date	Exp Date
	Kelly-Moore	8,350	\$8,350 ¹	58.86%	\$1.00	\$12.00	57.8%	\$1.00	\$12.00	NNN	Jan-17	Dec-27
	Apria Health	3,742	\$4,000 ²	26.38%	\$1.07	\$12.83	27.7%	\$1.00	\$12.00	NNN	Apr-05	Apr-20
	Sally Beauty Systems	2,095	\$2,095 ³	14.77%	\$1.00	\$12.00	14.5%	\$1.00	\$12.00	N	Apr-99	Apr-20
	Total	14,187	\$14,445	100.0%								
	Leased	14,187	\$173,340	100.0%								
	Available			0.0%								

Notes:

- Kelly-Moore
 - Rent escalations of 8% every 5 Years
 - Four (4) five year options 8% escalation at each option term
- Sally Beauty Systems
 - One (1) five year option at \$2,304.50
 - *Property tax reimbursements only
- Apria Healthcare
 - No Options

TENANT PROFILES

KELLY-MOORE PAINTS

**KELLY-MOORE
PAINTS™**
The Painter's Paint Store

TENANT PROFILE

About Kelly-Moore Paints



217 E. Gobbi Street

Ukiah, California

Mission:

To provide high quality, innovative products with exceptional service at a fair value.

History:

In 1946, William H. Kelly and William E. Moore recognized the unique needs of professional painting contractors for top-quality paint products and knowledgeable, efficient service at a fair price. This philosophy has allowed Kelly-Moore to grow from a single manufacturing facility and store in San Carlos, California, to one of the largest employee-owned paint companies in the United States. Its reputation for quality products is unsurpassed in the industry. The company produces some of the most technologically advanced paint products and sets the industry standard for new product development and quality control, and retains the reputation of "The Painter's Paint Store."

Not just your neighborhood paint store:

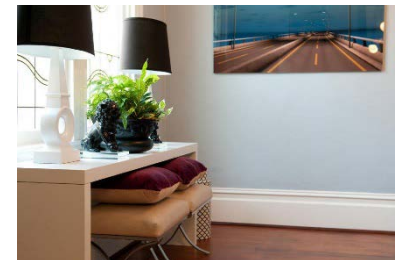
Kelly Moore has approximately 1,300 employees with nearly 150 retail paint stores and 120 Independent Dealers.

Employee Owned – You are working with an owner. In 1998, Mr. and Mrs. William E. Moore established the Kelly-Moore Paint Company Employee Stock Ownership Program (ESOP). Creating this program ensured the Moore Family tradition of providing only the highest level of service will continue for years to come. Each employee-owner is committed to offering the best paint products along with exceptional customer service everyday.

Manufacturing - Made in America Since 1946:

Kelly-Moore has two strategically located, state-of-the-art manufacturing facilities in key markets: San Carlos, California and Hurst, Texas (outside Dallas). Our reputation for quality products is unsurpassed in the industry. Kelly-Moore produces some of the most technologically advanced paint products and sets the industry standard for new product development and quality control.

Our manufacturing facility in San Carlos is also the recipient of five widely recognized green business awards from the State of California and San Mateo County for outstanding efforts to reduce pollution and solid waste and conserve water, energy and other natural resources.



TENANT PROFILE

About Apria Healthcare



APRIA HEALTHCARE®

217 E. Gobbi Street

Ukiah, California

Apria is focused on providing top quality service to our patients. Our ongoing self-monitoring and evaluation process ensures continual improvement in the homecare experience. From order accuracy to helpful customer service, timely delivery, patient education, and equipment instruction — **Apria is committed to serving with excellence.**

We're here to serve your needs! Apria Healthcare is one of the nation's leading providers of home respiratory services and certain medical equipment, including oxygen therapy, inhalation therapies, sleep apnea treatment, enteral nutrition and negative pressure wound therapy. Apria owns and operates more than 375 locations throughout the United States and serves more than 1.8 million patients each year.

TENANT PROFILE

About Sally Beauty Holdings, Inc. – Cosmo Prof

Sally Beauty Holdings, Inc. is the largest distributor of professional beauty products in the U.S. based on store count. The Company operates primarily through two business segments, Sally Beauty Supply and Beauty Systems Group (BSG).

- 50 years in the business
- Leader in stable, growing professional beauty supply channel
- Headquartered in Denton, Texas
- 27,000 full-time and part-time employees working in 13 countries
- Over 5,000 stores worldwide
- Over \$3.8 billion in sales in 2015
- Operations throughout the United States and Puerto Rico, the United Kingdom, Belgium, Canada, Chile, Colombia, Mexico, Peru, France, Ireland, Spain, Germany, and the Netherlands
- Product categories include hair color, hair care, hair dryers and hair styling appliances, nail and skin care, and other beauty products
- Traded on NYSE under ticker symbol SBH



MARKET INFORMATION

217 Gobbi Street

Ukiah, California



MARKET PROFILE



217 Gobbi Street

Ukiah, California

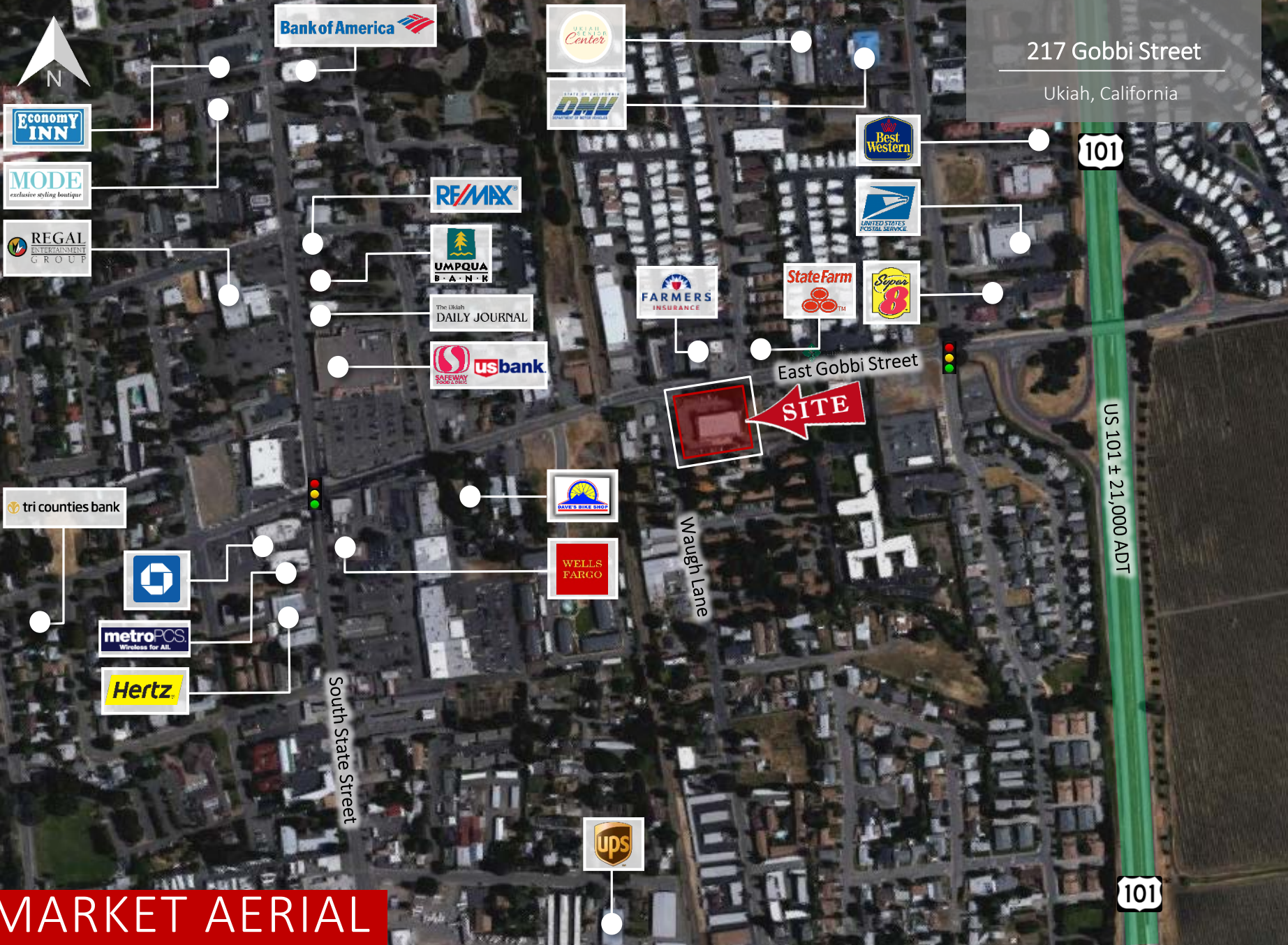
Ukiah formerly **Ukiah City** is the county seat and largest city of Mendocino County, California. With its accessible location (along the U.S. Route 101 corridor several miles south of CA 20), Ukiah serves as the city center for Mendocino County and much of neighboring Lake County.

- Ukiah serves as the largest City within Mendocino County and services the surrounding local communities
- Ukiah is the Mendocino County seat and the business/education/shopping center for much of Mendocino, Lake, and even Sonoma Counties.
- Taxable sales in Ukiah in 2008: \$399.3 million (32% of total County); taxable sales increased 63% in Ukiah between 1998 and 2008
- Located just off the busy Highway 101 corridor and two hours north of the Golden Gate Bridge
- Ukiah’s comprehensive workforce development network includes education, training, support services, and the facilitation of business development, job retention and expansion



Ukiah’s Top Employers	
<u>Company / Organization</u>	
	Mendocino County
	Ukiah Valley Medical Center
	Walmart
	Savings Bank of Mendocino County
	Mendocino Community Health Clinics
	Granite Construction
	The Home Depot
	Lucky

217 Gobbi Street
Ukiah, California



101

US 101 + 21,000 ADT

101

MARKET AERIAL

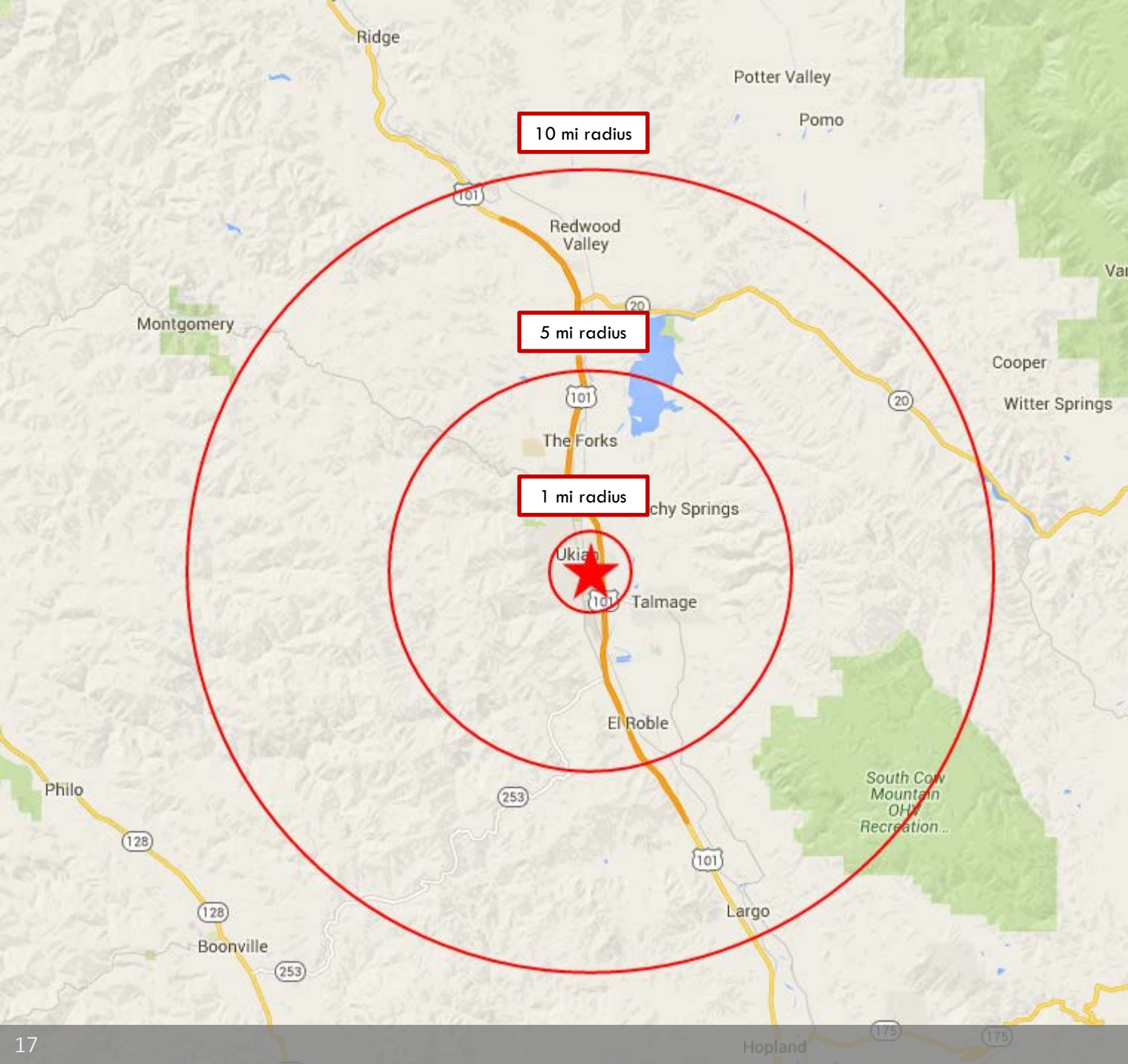


217 Gobbi Street

Ukiah, California

SITE

REGIONAL AERIAL



DEMOGRAPHICS

Ukiah, California

DEMOGRAPHICS

217 Gobbi Street

Ukiah, California

POPULATION	1 mile		5 miles		10 miles	
2015 Estimated Population	11,459		29,815		36,510	
2020 Projected Population	11,782		30,631		37,467	
2010 Census Population	11,410		29,625		36,310	
Projected Annual Growth 2015 to 2020	323	0.6%	816	0.5%	957	0.5%
Historical Annual Growth 2000 to 2015	48	0.1%	190	0.1%	200	0.1%
HOUSEHOLDS						
2015 Estimated Households	4,522		11,093		13,644	
2020 Projected Households	4,644		11,390		13,993	
2010 Census Households	4,456		10,898		13,424	
Projected Annual Growth 2015 to 2020	122	0.5%	297	0.5%	349	0.5%
Historical Annual Growth 2000 to 2015	162	0.2%	525	0.3%	745	0.4%
AVERAGE HOUSEHOLD INCOME						
Estimated Average Household Income (2015)	\$55,513		\$61,812		\$63,712	
Projected Average Household Income (2020)	\$59,137		\$66,411		\$68,500	
Census Average Household Income (2010)	\$45,558		\$53,659		\$56,508	
Projected Annual Change (2015-2020)	\$3,624	1.3%	\$4,598	1.5%	\$4,789	1.5%
Historical Annual Change (2000-2015)	\$16,102	2.7%	\$11,968	1.6%	\$12,369	1.6%
MEDIAN HOUSEHOLD INCOME						
Estimated Median Household Income (2015)	\$36,628		\$46,874		\$49,664	
Projected Median Household Income (2020)	\$38,154		\$48,647		\$51,665	
Census Median Household Income (2010)	\$38,322		\$45,853		\$47,745	
Projected Annual Change (2015-2020)	\$1,526	0.8%	\$1,773	0.8%	\$2,001	0.8%
Historical Annual Change (2000-2015)	\$5,915	1.3%	\$9,107	1.6%	\$11,064	1.9%

RACE AND ETHNICITY	1 mile		5 miles		10 miles	
Total Population (2015)	11,459		29,815		36,510	
White (2015)	7,594	66.3%	20,147	67.6%	25,269	69.2%
Black or African American (2015)	181	1.6%	400	1.3%	448	1.2%
American Indian or Alaska Native (2015)	414	3.6%	1,061	3.6%	1,345	3.7%
Asian (2015)	382	3.3%	1,159	3.9%	1,229	3.4%
Hawaiian or Pacific Islander (2015)	15	0.1%	46	0.2%	58	0.2%
Other Race (2015)	2,168	18.9%	5,382	18.0%	6,230	17.1%
Two or More Races (2015)	706	6.2%	1,620	5.4%	1,932	5.3%

EDUCATIONAL ATTAINMENT (2014)

Adult Population Age 25 Years or Over	7,403		19,466		24,130	
Elementary (Grade Level 0 to 8)	764	10.3%	1,804	9.3%	2,155	8.9%
Some High School (Grade Level 9 to 11)	523	7.1%	1,415	7.3%	1,740	7.2%
High School Graduate	2,229	30.1%	5,270	27.1%	6,314	26.2%
Some College	1,849	25.0%	4,883	25.1%	6,406	26.5%
Associate Degree Only	720	9.7%	2,027	10.4%	2,482	10.3%
Bachelor Degree Only	767	10.4%	2,508	12.9%	3,124	12.9%
Graduate Degree	551	7.4%	1,558	8.0%	1,910	7.9%
Any College (Some College or Higher)	3,887	52.5%	10,976	56.4%	13,922	57.7%
College Degree + (Bachelor Degree or Higher)	1,318	17.8%	4,066	20.9%	5,034	20.9%

HOUSING

Total Housing Units (2015)	4,796		11,775		14,573	
Total Housing Units (2010)	4,711		11,573		14,350	
Historical Annual Growth (2010-2015)	86	0.4%	202	0.3%	223	0.3%
Housing Units Occupied (2015)	4,522	94.3%	11,093	94.2%	13,644	93.6%
Housing Units Owner-Occupied	1,774	39.2%	5,648	50.9%	7,419	54.4%
Housing Units Renter-Occupied	2,748	60.8%	5,445	49.1%	6,225	45.6%
Housing Units Vacant (2015)	274	6.1%	682	6.1%	929	6.8%

DAYTIME DEMOGRAPHICS (2014)

Total Businesses	1,249		2,041		2,267	
Total Employees	10,274		17,676		19,257	



217 GOBBI STREET

Ukiah, California

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