



**CORE NET LEASE
COLLECTION**

A Collection of Three
NNN Leased Parcels
in San Diego, CA

The Offering

JLL, as exclusive advisor, is pleased to present the opportunity to acquire three (3) net lease parcels within Gateway at Kearny Mesa (the “Offering”), a retail destination located along Clairemont Mesa Blvd and Interstate-805 in the rapidly growing submarket of Kearny Mesa. Currently 100% leased to best in class retailers Walmart, Food 4 Less (Kroger), and a fee simple ground lease with Prime Car Wash/Jiffy Lube, the offering represents a rare opportunity to purchase strong credit, with embedded value and long-term upside. Investors are encouraged to offer on the entire property or as individual parcels.

Property Overview

Investors are encouraged to offer on the entire property or as individual parcels

Address	7215 Clairemont Mesa Blvd, San Diego, CA 92111 4840, 4995 Shawline St, San Diego, CA 92111
Rentable Building Area	194,303 SF
Percent Leased	100%
Year Built/Renovated	Varies (See break-down on pages 22-25)
Acres	18.81 AC (Across 3 separate parcels)
Parking	Varies (See break-down on pages 22-25)
Zoning	EMX-2 (Employment Mixed-Use): The EMX zone will allow for a broad mix of uses, including multi-housing, office/life sciences, research, and development, industrial, and retail.



Investment Highlights



PREMIER TENANCY

The three (3) core net lease parcels are 100% occupied, providing investors with stable cash flows and strong tenant demand. The Core Net Lease Collection is leased to national tenants such as Walmart (WMT: NYSE), Food 4 Less (KR: NYSE), and Prime Car Wash/Jiffy Lube on a fee simple ground lease.



AFFLUENT & RAPIDLY DENSIFYING INFILL TRADE AREA

Over 292,000 residents with average household incomes exceeding \$104,000 are located within a 3 mile radius. With over 60,000 additional residents and over 130,000 additional jobs at full buildout, according to the new general plan, Kearny Mesa is one of the most rapidly developing areas in Southern California.



INFILL LOCATION WITH SUPERIOR ACCESS AND VISIBILITY

The Property is strategically located adjacent to Interstate-805 (196, 403 VPD) along Clairemont Mesa Blvd (48,506 VPD). Accessibility is further enhanced with three (3) entry points off Clairemont Mesa Blvd and three (3) entry points off Shawline St.



STRONG LONG-TERM DEVELOPMENT POTENTIAL CREATES EMBEDDED VALUE & OPTIONALITY

The Core Net Lease Collection's strong long-term redevelopment potential drives an elevated underlying land value for the project, meaning that new ownership will have significant leverage over the existing tenants to significantly increase rents at lease expiration. Multi-housing and life science uses, among others, are permitted due to the site's EMX-2 zoning, and today stand at land values that exceed the value of the current existing improvements.





LONG TERM DOWNSIDE PROTECTION THROUGH LAND UPSIDE

The concluded capitalized rental value of the Core Net Lease Collection is below the concluded land valuation based on market sales comps. This provides investors long-term downside protection.



Core Net Lease Collection

	Tenant	SF	AC	Expiration	Expiration (If All Options are Exercised)
Walmart *	WalMart	132,706	13.09	1/31/2028	1/31/2037
Food 4 Less	Food 4 Less	53,444	4.16	1/31/2025	1/31/2045
 	Prime Car Wash Investments *	8,153	1.56	5/31/2038	5/31/2050
Total Core Net Lease Collection		194,303	18.81		

* fee-simple
ground lease



Property Overview - Walmart

PROPERTY SUMMARY

Property Address	4840 Shawline St, San Diego, CA 92111
Property Type	Single-Tenant Retail
Year Built/Renovated	2001
Total Rentable Area	132,706 SF
Surface Spaces	644 Spaces (4.85/1,000 SF)
Site Area	13.09 AC (570,200 SF)
Parcel Number	356-081-33; 356-081-34
Zoning	EMX-2

LEASE SUMMARY

Tenant	Walmart
Ticker Symbol	(WMT: NYSE)
Credit Rating	AA (S&P)
Commencement Date	8/4/2003
Remaining Term	6 Years
Lease Type	NNN

Annual Base Rent Schedule

Current* - 1/31/2028	\$2,196,150
----------------------	-------------

Option to Extend

2/1/2028 - 1/31/2033	\$2,415,768
----------------------	-------------

2/1/2033 - 1/31/2037	\$2,657,340
----------------------	-------------

**Current total rent is \$1,996,500 / Ownership will guarantee rent spread from closing through Feb. 1, 2023 (next contractual rent increase)*



FORTRESS CREDIT ON A BELOW MARKET LEASE

Walmart is rate AA (S&P) with a below market rent of \$15.04 PSF/Year



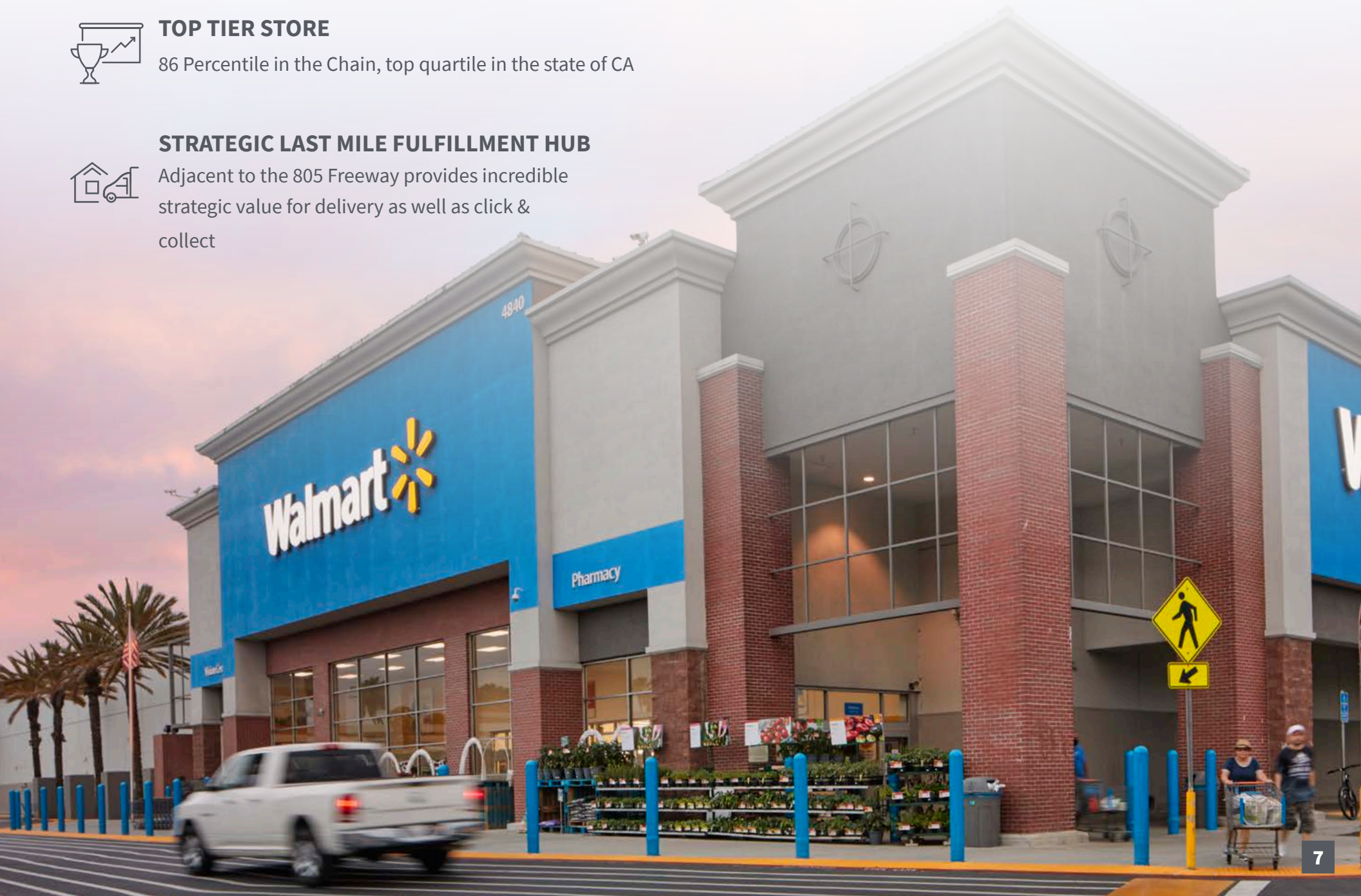
TOP TIER STORE

86 Percentile in the Chain, top quartile in the state of CA



STRATEGIC LAST MILE FULFILLMENT HUB

Adjacent to the 805 Freeway provides incredible strategic value for delivery as well as click & collect



Property Overview - Food 4 Less

PROPERTY SUMMARY

Property Address	4995 Shawline St, San Diego, CA 92111
Property Type	Single-Tenant Retail
Year Built/Renovated	1995
Total Rentable Area	53,444 SF
Surface Spaces	258 Spaces (4.82/1,000 SF)
Site Area	4.16 AC (181, 210 SF)
Parcel Number	356-081-22
Zoning	EMX-2

LEASE SUMMARY

Tenant	Food 4 Less
Parent Company	Kroger Co.
Ticker Symbol	(KR: NYSE) - Parent Co.
Credit Rating	BBB (S&P) - Parent Co.
Commencement Date	2/1/1995
Remaining Term	3 Years
Lease Type	NNN

Annual Base Rent Schedule

2/1/2020 - 1/31/2025	\$1,016,580
-----------------------------	-------------

Option to Extend

2/1/2025 - 1/31/2030	\$1,118,244
-----------------------------	-------------

2/1/2030-1/31/2035	\$1,230,072
---------------------------	-------------

2/1/2035 - 1/31/2040	\$1,353,072
-----------------------------	-------------

2/1/2040 - 1/31/2045	\$1,488,384
-----------------------------	-------------



INVESTMENT GRADE CREDIT

Parent Company, Kroger, is rated BBB (S&P) with a market capitalization exceeding \$34B.



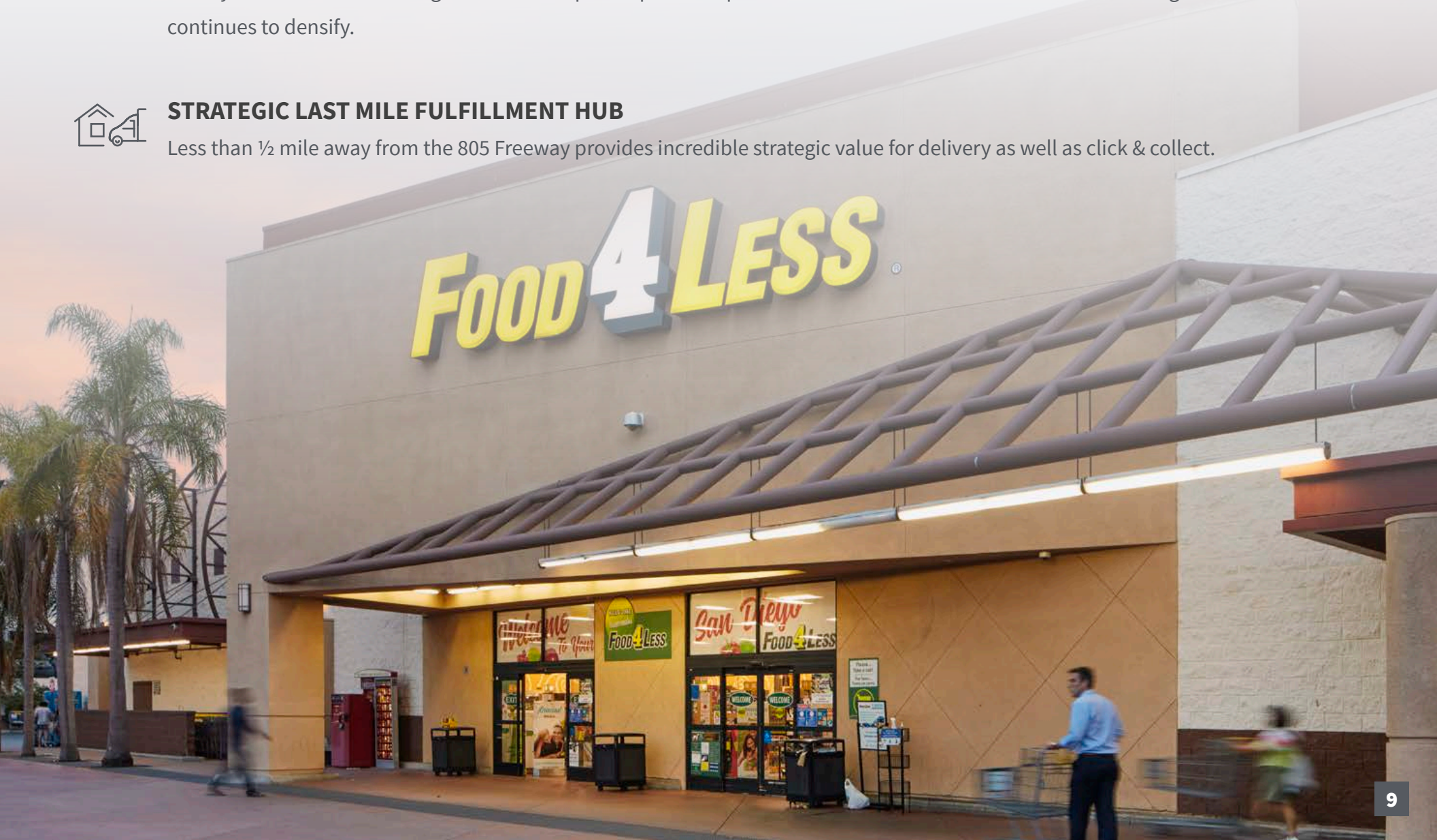
STRONG STORE PERFORMANCE WITH SIGNIFICANT TAILWINDS

Food 4 Less has been committed to this location since 1995 and is one of the few prototypical retail boxes remaining within the Kearny Mesa Submarket. Long-term redevelopment potential provides investors with an excellent inflation hedge as the area continues to densify.



STRATEGIC LAST MILE FULFILLMENT HUB

Less than ½ mile away from the 805 Freeway provides incredible strategic value for delivery as well as click & collect.



Property Overview - Prime Car Wash Investments

PROPERTY SUMMARY

Property Address	7215 Clairemont Mesa Blvd San Diego, CA 92111
Property Type	Single-Tenant Retail
Year Built/Renovated	1995
Total Rentable Area	8,153 SF
Surface Spaces	26 Spaces (3.19 / 1,000 SF)
Site Area	1.56 AC (67,954 SF)
Parcel Number	356-081-21
Zoning	EMX-2

LEASE SUMMARY

Tenant	Prime Car Wash Investments *
Ticker Symbol	Private
Credit Rating	N/A
Commencement Date	5/6/1994
Remaining Term	16 Years
Lease Type	NNN (No insurance)

Annual Base Rent Schedule

6/1/2021 - 5/31/2024	\$410,808
6/1/2024 - 5/31/2027	\$447,780
6/1/2027 - 5/31/2030	\$488,076
6/1/2030 - 5/31/2033	\$532,008
6/1/2033 - 5/31/2036	\$579,888
6/1/2036 - 5/31/2038	\$632,076

Option to Extend

6/1/2038 - 5/31/2044	Fair Market Value
6/1/2044 - 5/31/2050	Fair Market Value

* fee-simple ground lease



PREMIER LOCATION ALONG CLAIREMONT MESA BOULEVARD

The property operates a premier location with significant frontage along the most heavily trafficked street on Kearny Mesa.



FEE SIMPLE GROUND LEASE WITH SIGNIFICANT LEASE TERM

Secure income stream with over 16 years of base lease term remaining on a fee simple ground lease with absolutely no management.



RARELY PERMITTED USES WITH INCOME DIVERSITY

The tenant operates a gas station, convenience store, car wash and Jiffy Lube, offering the operator a diverse and highly secure income stream. These uses are difficult to entitle and build, giving immense strategic value to the site.



Drive Times

Location	Distance	Drive Time
Westfield UTC	7 minutes	4.4 miles
Downtown San Diego	13 minutes	9.3 miles
La Jolla Village	14 minutes	8.5 miles
Petco Park	16 minutes	9.5 miles
San Diego International Airport	18 minutes	11.3 miles

Kearny Mesa is the most convenient and rapidly growing infill submarket in San Diego

**CORE NET LEASE
COLLECTION**

La Jolla

University of California San Diego

UTC

Sorrento Mesa

Demographics	1-MILE	3-MILE	5-MILE
POPULATION			
2021 Population:	12,559	97,472	294,409
2026 Population:	12,874	99,524	304,167
Population Growth 2021-2026:	2.5%	2.1%	3.3%
HOUSEHOLD			
Total Households:	4,895	37,655	121,493
HH Growth 2021-2026	2.8%	2.1%	3.5%
2021 Median Home Value:	\$601,533	\$634,907	\$676,821
HOUSEHOLD INCOME SNAPSHOT			
2021 Average Household Income:	\$104,289	\$104,440	\$112,994
2026 Average Household Income:	\$118,555	\$118,670	\$128,087
HH Income Growth 2021-2026	13.7%	13.6%	13.4%

5-year population growth in the immediate 5-mile radius of Gateway at Kearny Mesa exceeds the projected growth of both San Diego County and California.

5-mile Population Growth 2021-2026	3.3%
San Diego County Population Growth 2021-2026	2.8%
California Population Growth 2021-2026	2.6%

CLAIEMONT MESA BLVD (48,506 VPD)

INTERSTATE-805 (196, 403 VPD)



Investment Advisors

GLEB LVOVICH

Managing Director

+1 949 798 4115

gleb.lvovich@am.jll.com

CA Lic # 01496699

GEOFF TRANCHINA

Managing Director

+1 310 694 3180

geoff.tranchina@am.jll.com

CA Lic # 01435512

BRYAN LEY

Managing Director

+1 310 407 2120

bryan.ley@am.jll.com

CA Lic # 01458927

DANIEL TYNER

Director

+1 949 798 4125

daniel.tyner@am.jll.com

CA Lic # 01959818

Debt Advisors

ALDON COLE

Senior Managing Director

+1 858 812 2344

aldon.cole@am.jll.com

CA Lic # 01457351

BRYAN CLARK

Managing Director

+1 858 812 2342

bryan.clark@am.jll.com

CA Lic #01709389

OLGA WALSH

Managing Director

+1 858 812 2371

olga.walsh@am.jll.com

CA Lic #01457351

Analysts

CONOR QUINN

Associate

+1 949 527 4993

conor.quinn@am.jll.com

CA Lic # 02073016

MAKENNA PETER

Analyst

+1 949 296 3623

makenna.peter@am.jll.com

CA Lic # 02131317