

CVS OFFERING MEMORANDUM VISTA, CALIFORNIA



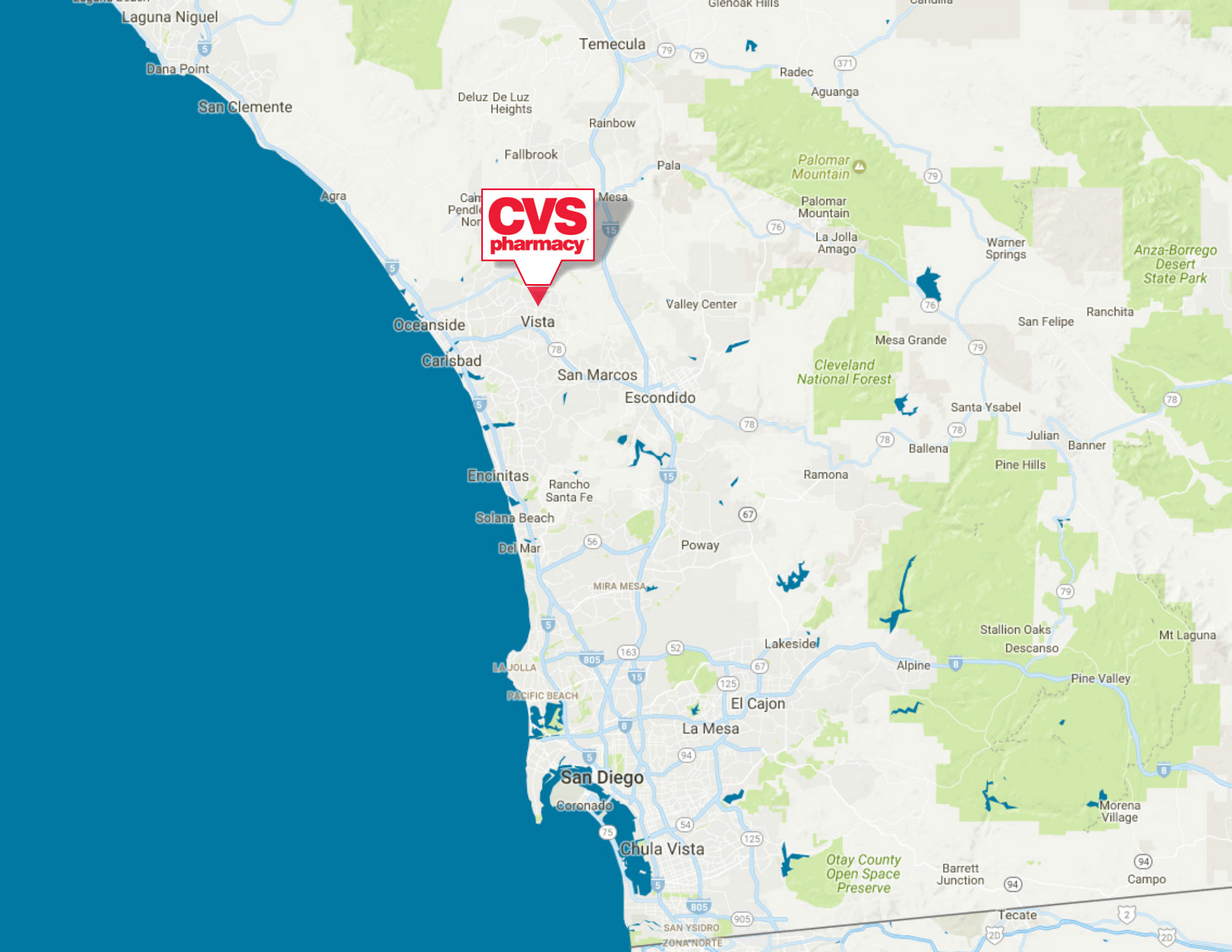
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NET LEASE INVESTMENTS
 **CUSHMAN &
WAKEFIELD**



CVS
pharmacy

EXECUTIVE SUMMARY

TENANT:	Garfield Beach CVS, LLC a California limited liability company
LOCATION:	1441 North Santa Fe Avenue Vista, CA 92084
APN:	173-321-08-00
BUILDING SIZE:	-17,095 square feet
LAND SIZE:	-1.57 acres
YEAR BUILT:	1996
RENT COMMENCEMENT:	December 1, 2006
LEASE EXPIRATION:	January 31, 2032 (~15 years remaining)
OPTIONS:	Ten (10) five (5) year options, likely to be at fair market value
ANNUAL RENT:	\$231,712
ANNUAL RENT PSF:	\$13.55
LEASE TYPE:	Absolute NNN - no landlord responsibilities



OFFERING TERMS

FREE & CLEAR OF EXISTING DEBT

PRICE: \$4,700,000

CAP RATE: 4.93%

RENT HOLIDAY CREDIT⁽¹⁾: \$300,000

EFFECTIVE PRICE: \$4,400,000

EFFECTIVE CAP RATE: 5.27%

(1) CREDIT BASED ON THE NET PRESENT VALUE OF RENT HOLIDAY AT ~6% DISCOUNT RATE

ASSUMPTION OF EXISTING DEBT - ZERO CASH FLOW

PRICE: \$4,300,000

CAP RATE: 5.39%

RENT HOLIDAY CREDIT⁽¹⁾: \$300,000

EFFECTIVE PRICE: \$4,000,000

EQUITY REQUIRED: ~\$2,050,000

EFFECTIVE CAP RATE: 5.79%

PRICE PER BLDG SF: \$234

AVERAGE ANNUAL PRINCIPAL REDUCTION⁽²⁾: ~\$162,000

AVERAGE RATE OF PRINCIPAL REDUCTION TO EQUITY⁽²⁾: ~7.9%

(1) CREDIT BASED ON THE NET PRESENT VALUE OF RENT HOLIDAY AT ~6% DISCOUNT RATE

(2) EXCLUDING RENT HOLIDAY PERIOD



INVESTMENT HIGHLIGHTS

TRIPLE NET LEASE WITH NO LANDLORD RESPONSIBILITIES

INVESTMENT-GRADE PARENT COMPANY

- CVS HEALTH CORP, S&P rated BBB+

LONG-TERM TENANCY / ESTABLISHED CUSTOMER-BASE

- Long term lease with approximately 15 years remaining on the primary term
- CVS Pharmacy has been at this location since 1997

DENSELY POPULATED TRADE AREA / ABOVE AVERAGE HHI

- Approximately 117,000 people with an Average Household Income over \$78,000 within 3 miles of the subject property
- Across Bobier Drive from Vista High School (~2,500 current enrollment)
- 1.3 miles east of Laurel Pointe, a new 155-home residential development by Pulte Homes

STRATEGIC LOCATION / HIGH TRAFFIC COUNTS

- Located in a Stater Brothers anchored shopping center at the high-traffic signalized intersection of North Santa Fe Avenue and Bobier Drive with approximately 43,000 vehicles per day

VISTA HIGH SCHOOL

~2,500 STUDENTS



CVS
pharmacy
SUBJECT PROPERTY

VISTA HIGH SCHOOL

~2,500 STUDENTS

SUBWAY

STATER
BROS.
MARKETS

Payless
SHOESOURCE®

Auto Zone

W BOBIER RD (18,700 VPD)

N SANTA FE AVENUE (24,200 VPD)

Jack
in the box

7
ELEVEN

M

W





VISTA HIGH SCHOOL
~2,500 STUDENTS

CVS
pharmacy
SUBJECT PROPERTY



W BOBIER RD (18,700 VPD)

N SANTA FE AVENUE (24,200 VPD)



SAN MARCOS



Bank of America

SONIC

Benjamin Moore

SMOOTHIE FACTORY

TRAINING CENTER FIRE WRECK

LOWE'S

Home Improvement Warehouse



Cinépolis

usbank

FIVE GUYS BURGERS and FRIES

STAPLES

chili's GRILL & BAR

CRUNCH

Chipotle

PANDA EXPRESS

STARBUCKS COFFEE

Panera BREADS

BURGER KING

FAMILY DOLLAR

TACO BELL

7 ELEVEN

Jack in the box

WU WESTERN UNION

FAMILY DOLLAR

am pm

CVS pharmacy

SUBJECT PROPERTY

N SANTA FE AVENUE

Walgreens

W BOBIER RD



CVS PHARMACY - VISIT



PACIFIC OCEAN

OCEANSIDE

CARLSBAD



VISTA PERFORMING ARTS
~1,050 STUDENTS

NORTH COUNTY TRADE HIGH SCHOOL
~100 STUDENTS

MARYLAND ELEMENTARY SCHOOL
~600 STUDENTS

BOBIER ELEMENTARY SCHOOL
~670 STUDENTS

GUAJOME PARK ACADEMY
~1,400 STUDENTS



SIERRA VISTA HIGH SCHOOL
~110 STUDENTS

VISTA HIGH SCHOOL
~2,500 STUDENTS

N SANTA FE AVENUE

W BOBIER RD





N SANTA FE AVE (24,200 VPD)

TENANT: Garfield Beach CVS, LLC,
a California limited liability company

PARENT COMPANY: CVS HEALTH CORP (NYSE: CVS)

S&P CREDIT RATING: BBB+ **# OF LOCATIONS (2016):** 9,655

2015 REVENUE (\$BIL): \$153.29 **# OF EMPLOYEES (2016):** ~243,000

2015 NET INCOME (\$BIL): \$5.23

CVS CVS Health Corporation is a pharmaceutical company primarily engaged in the provision of healthcare solutions through its pharmacies and walk-in clinics. CVS Health rated as the 10th largest company in the world according to the latest iteration of the Fortune 500, and CVS Pharmacy is the second largest retail pharmacy by number of locations – it’s more than 9,600 stores trails only Walgreens. The company was also ranked by Fortune as the 45th “Most Admired Company” in the world.

The company’s retail pharmacy chain, CVS/pharmacy, generates over 68% of its revenue from the pharmacy business and also sells over-the-counter drugs, beauty products, cosmetics, seasonal merchandise, greeting cards, convenience foods, photo finishing and health care services. CVS Caremark’s Pharmacy Services division provides comprehensive prescription benefit management services to employers, insurance companies, unions, government employee groups, managed care organizations and other sponsors of health benefit plans and individuals.

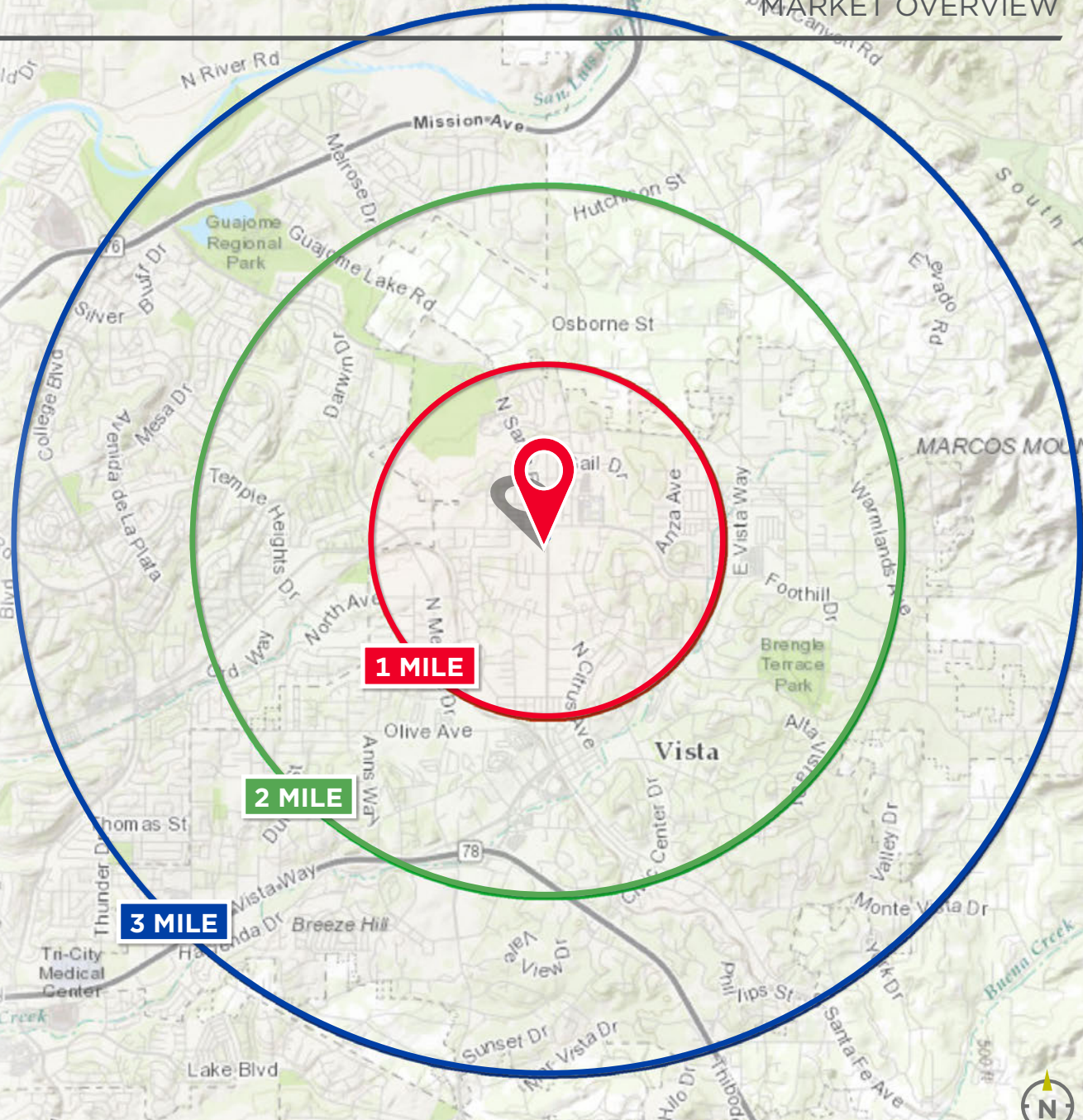
CVS is currently exploring a variety of means to increase profitability and expand its reach. In May of 2015, CVS Health made a \$12.7 billion purchase of Omnicare, a drug delivery company that also



helps senior-living centers manage residents’ medications. The purchase, its largest since 2007 when it paid \$21.7 billion for pharmacy benefits manager Caremark Rx, gives the retailer greater strategic reach as it looks to serve an aging population with greater care needs. Furthermore, the company has plans to expand its in-store health clinics to about 600 locations by 2017. CVS reported most recent annual revenue of \$153.3 billion and has approximately 243,000 employees.

Website: <http://www.cvs.com/>

DEMOGRAPHICS



POPULATION GROWTH

	1 MILE	2 MILE	3 MILE
2010	27,107	66,180	112,194
2016	28,230	69,753	117,681
2021	29,439	73,447	123,742

AVERAGE HH INCOME

	1 MILE	2 MILE	3 MILE
2016	\$56,786	\$69,500	\$78,042
2021	\$61,390	\$75,469	\$84,904



CITY OF VISTA

Located just seven miles inland from the Pacific Ocean in northern San Diego County, the City of Vista has a perfect mild Mediterranean climate. The residents enjoy a wide range of year-round outdoor activities in a setting of gentle rolling hills and pleasant rural surroundings. With more than 25 educational institutions for Vista youth, and a business park that is home to over 800 companies, it is no wonder that Vista has been named one of the “50 Fabulous Places to Raise Your Family”. Vista was listed as the seventh best place in the United States for family life, based on factors such as jobs and business opportunities, education, climate, and cost-of living in a 2008 review. Vista is approximately 19 square miles with a population of 95,036 93,834 at the 2010 census).

The Vista Unified School District serves the city of Vista. Vista has eighteen elementary schools, six middle schools, and seven high schools, including Rancho Buena Vista High School, Vista High School and Mission Vista High School. Guajome Park Academy is a charter school with joint elementary, middle, and high schools that receives part of its funding from the Vista Unified School District. Alta Vista Continuation High School is another option for teens who cannot attend regular school. Biola University and Kaplan College have a branch campus in Vista.

Carlsbad, CA

CITY OF SAN DIEGO

As the second most populous city in California, and the eighth largest in the country, San Diego is a major economic engine and world renowned hub of research and entrepreneurial activity. The region's diverse mix of industries, its superb climate, large and diverse labor force, and exceptional quality of life have fueled substantial commercial and residential development and robust employment growth that have consistently outpaced most other major U.S. metropolitan markets.

San Diego offers: one of the most competitive sales tax rates in California (8.00%); a business tax rate lower than any of the 20 largest U.S. cities; the lowest transient occupancy (hotel and motel) tax in the country; the lowest bonded indebtedness rate; the lowest real estate transfer tax in California; no city income taxes; and, no utility taxes on its citizens. San Diego's economy is very diverse with the largest sectors being agriculture, biotechnology/biosciences, computer sciences, education, healthcare, defense, financial and business services, ship construction and repair, software development, telecommunications, and tourism.



Downtown San Diego

SAN DIEGO COUNTY

The County of San Diego is currently home to 3.2 million people, the second most populous county in California. The median age of San Diego County is a relatively young 35 years, with over 50% of its population less than age 35 and only 11% age 65 or over. Over 34% of San Diego's workforce over the age of 25 holds a bachelor's degree or higher and the average household income is a notable \$84,359 per year. According to Forbes magazine, San Diego ranks as the fifth wealthiest city in the United States. The University of California San Diego, University of San Diego, San Diego State University and other local universities are well-respected throughout the country and the world.

San Diego has a large civilian labor force of approximately 1.56 million workers. Leading employment sectors in the region (by number of employees) include: Government (223,100); Trade, Transportation & Utilities (207,300); Professional & Business Services (204,000); and, Leisure & Hospitality (131,900). The region's 8.8% unemployment rate (May 2012) continues to outperform the state of California (10.4%).

<http://www.cityofvista.com/>

<http://vistachamber.org/>

http://en.wikipedia.org/wiki/Vista,_ca

San Diego Bay

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chuck.klein@cushwake.com**CONFIDENTIALITY & DISCLAIMER**

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