

2366

2366 GOLD MEADOW WAY

**GOLD RIVER, CALIFORNIA
OFFERING MEMORANDUM**

**100% LEASED SECOND FLOOR OFFICE CONDOMINIUM
SINGLE TENANT INVESTMENT**

\$2,890,000 (\$227.86/SF) | 6.25% CAP



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TABLE OF CONTENTS

TERMS OF OFFERING

EXECUTIVE SUMMARY

- The Offering
- Investment Highlights
- Offering Summary

PROPERTY DESCRIPTION

- Project History
- General Property Overview
- Construction Summary
- Floor Plan

FINANCIAL OVERVIEW

- Financial Overview
- Tenant Profile

LOCATION OVERVIEW

- Tenant and Amenities Map
- Demographics
- Gold River Area Overview
- Sacramento Area Overview

OFFICE MARKET OVERVIEW

- 50 East Corridor Office Market
- Sacramento Office Market
- Lease Comparables
- Sale Comparables



TERMS OF OFFERING

Newmark Knight Frank (“Broker”) on behalf of the Owner of the property referenced herein (“Property”) present this Confidential Offering Memorandum (“Memorandum”) to assist the recipient(s) (“You” or “Your”) in evaluating the Property and it is intended for Your use only. This Memorandum contains brief, selected information pertaining to the Property and should not be considered all-inclusive or permanent. The information in this Memorandum has been obtained from sources believed to be reliable, but has not been verified and is not guaranteed. You should independently verify each item of information and have the same reviewed by Your tax advisor and/or legal counsel. Assumptions, projections, estimates and/or opinions are provided as examples only and all information is subject to changes, errors, omissions and/or withdrawal without notice. Broker and Owner assume no responsibility for and make no warranty as to the accuracy or completeness of any information in this Memorandum. Broker and Owner expressly disclaim any implied or expressed warranties of merchantability, fitness for a particular purpose or non-infringement of intellectual property relating to this Memorandum. In no event shall Broker or Owner be liable for any damages resulting from the reliance on or use of any information in this Memorandum, including but not limited to direct, special, indirect, consequential or incidental damages. By accepting receipt of this Memorandum, You agree to the following: (a) This Memorandum is of a highly confidential nature, will be held in the strictest confidence and shall be returned to Broker upon request; (b) You shall not contact any property manager, employee or tenant of the Property regarding the Property or this Memorandum, without prior approval of Broker or Owner; and (c) You understand and agree that Broker represents Owner and not You. Neither Broker nor Owner shall have any obligation to pay any commission, finder’s fee, or any other compensation to any broker or other person. You may provide information to persons retained to evaluate the Property only after first obtaining a signed confidentiality agreement from such persons and providing a copy of such agreement to Broker. By accepting receipt of this Memorandum, you agree to defend, indemnify and hold harmless Broker and Owner (including all of their agents, employees, subsidiaries, affiliated entities, successors and assigns) from and against any and all claims, disputes, litigation, demands, damages, liabilities, losses, judgments, expenses, fines, contributions, charges, injuries and/or costs and expenses, including reasonable attorneys’ fees, arising or resulting from acts by You.

Legal documents and reports summarized in this brochure are not intended to be comprehensive statements of the terms and contents of such documents and reports. Although Broker and Owner believe the information to be accurate, no warranty or representation is made as to its accuracy or completeness. Interested parties should conduct independent investigations and reach conclusions without reliance on materials contained herein.

The Property shall be sold AS-IS, WHERE-IS, WITH ALL FAULTS, and Seller makes no warranties, representations, certifications nor “to the best of my knowledge” type statements to the status of the Property, the improvements thereon, potential use, economic feasibility, environmental matters, the availability of development rights or permits or any other matters. Seller will not incur any obligations that extend beyond the Closing.

OFFERING PROCESS:

Offers should be delivered to the office of the Exclusive Listing Broker, Newmark Knight Frank, by fax at (916) 920-0854, or by contacting:

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To facilitate analysis of offers, prospective buyers are encouraged to provide information relative to: funding sources, experience in owning and operating similar properties, familiarity with the market and any other information which is likely to favorably reflect on the offeror’s ability to close this proposed transaction in a timely manner.

THE OFFERING

2366 Gold Meadow Way provides an investor the opportunity to own a fully leased, best-in-class office condominium within one of California's most desirable and affluent markets. 2366 Gold Meadow Way is offered significantly below replacement cost at an ideal location that is accessible from Highway 50 and the busy thoroughfare Sunrise Boulevard or Hazel Avenue exits. Fully leased to Goyette & Associates, Inc., 2366 Gold Meadow Way offers a stabilized investment with a longstanding tenancy.

Asking Price: \$2,890,000 (\$227.86/SF)



INVESTMENT HIGHLIGHTS

- **Stabilized Income Stream with Rent Growth**

The second floor office condominium at 2366 Gold Meadow Way is 100% leased to Goyette & Associates, Inc. on a new seven year renewal extending through April of 2026. Goyette & Associates, Inc. has been in the building for nearly a decade as a key part of their Sacramento MSA operations.

- **High Quality Investment Opportunity**

Gold River Office Park offers a unique, one of a kind asset in both its high quality and modern design coupled with an outstanding location and long-term tenant history. The distinctive features of the office condominium provides for a long-term, intrinsic value beyond the contractual rental stream.

- **Outstanding Location with Access to Amenities**

2366 Gold Meadow Way, located in the heart of Sacramento's Gold River office market, has served as an ideal location for tenants (and executive suite occupants alike) because of its accessibility from Sunrise Blvd, Gold River's primary business thoroughfare. Additionally, the central location of the Building offers close proximity to US Highway 50, Gold River Sports Club, restaurants, theaters, hotels, banking, and other retail support services.

- **Close Proximity to Highway 50**

Located on Gold Meadow Way with proximity to Highway 50, the second floor condominium at 2366 Gold Meadow Way offers easy freeway access to U.S. Highway 50 via either Sunrise Blvd or Hazel Ave. This location provides occupants with excellent accessibility to all major transportation routes, as Highway 50 serves as the main thoroughfare in providing access throughout the greater Sacramento area.

OFFERING SUMMARY

| | |
|-------------------------|--------------------------------------|
| Offering Price: | \$2,890,000 |
| Current Occupancy: | 100% |
| Building Name: | Gold River Office Park |
| Building Address: | 2366 Gold Meadow Way |
| City: | Gold River |
| Zip Code: | 95670 |
| Property Type: | Office |
| Years Built: | 1996 |
| Total Condo Size: | ±12,683 Rentable Square Feet |
| Parking: | 42 Stalls (3.32 Stalls Per 1,000 SF) |
| Assessor Parcel Number: | 069-0102-026 |
| Tenant: | RGN - Goyette & Associates, Inc. |



PROJECT HISTORY

Developed in 1996, the Gold River Office Park was originally constructed to service the nearby principals, executives, and business owners within the affluent Gold River community. Gold River Office Park has remained highly desirable due to the quality of construction, park environment, convenient proximity to Highway 50 and retail services, local demographics and a plethora of nearby businesses.

A highly desirable Office Campus within a mature park setting has made Gold River Office Park stand out among other competitive buildings to both tenants and buyers. In recent years, the common areas have been thoroughly upgraded to include new flooring, lighting, furniture and wall-art.



GENERAL PROPERTY OVERVIEW:

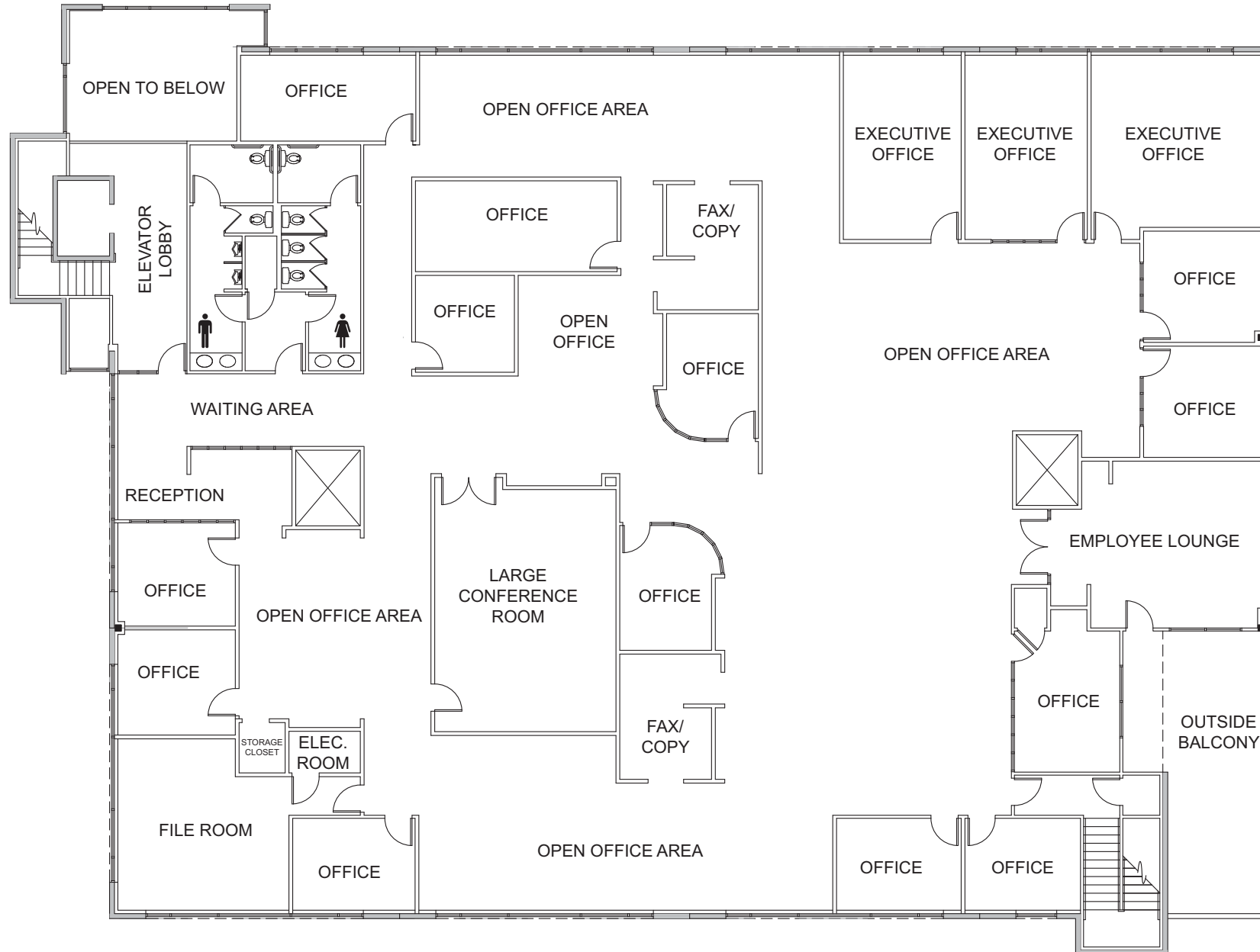
| | |
|--------------------------|----------------------------------|
| Building Name: | Gold River Office Park |
| Building Addresses: | 2366 Gold Meadow Way |
| City: | Gold River |
| County: | Sacramento |
| Zip Code: | 95670 |
| Years Built: | 1996 |
| Total Condo Size: | ±12,683 Rentable Square Feet |
| Parking: | 42 Stalls |
| Parking Ratio: | 3.32 Stalls Per 1,000 SF |
| Assessors Parcel Number: | 069-0102-026 |
| Zoning: | BP- PD |
| Flood Zone: | X (area of minimal flood hazard) |





FLOOR PLAN

2366 GOLD MEADOW WAY | SECOND FLOOR



FINANCIAL OVERVIEW

PRICING

Asking Price: \$2,890,000

Price Per Foot: \$227.86

Year 1 Cap Rate: 6.25%

LEASE SUMMARY

Tenant: Goyette & Associates, Inc.

Current Lease Term: Seven (7) Years

Lease Type: Full Services

Base Year: 2020

Occupancy Date: Close of Escrow

Annual Rent Increases: 3%

Option to Extend: One (1), Five (5) Year

ESTIMATED OPERATING EXPENSES

| 2018 | Monthly | Annually |
|-------------------------|-----------------------|---------------------|
| Janitorial | \$1,127.00 | \$13,524.00 |
| HVAC | \$604.33 | \$7,251.96 |
| Roof Repairs | None | \$0.00 |
| Parking Lot Repairs | Incl'd in CAM HOA Due | \$0.00 |
| Elevator | \$382.38 | \$4,588.56 |
| Association Dues | \$2,148.50 | \$25,782.00 |
| Repairs and Maintenance | \$159.83 | \$1,918.00 |
| Electricity | \$1,769.21 | \$21,230.57 |
| Gas | N/A | \$0.00 |
| Water/Sewer/Garbage | \$182.18 | \$2,186.13 |
| Fire Protection | \$0.00 | \$0.00 |
| Insurance-BOP | \$393.33 | \$4,720.00 |
| Property Taxes | | \$32,552.94 |
| | | \$113,754.16 |

Property taxes adjusted to reflect sale price

RENT SCHEDULE

| Months | Monthly Rent* | Monthly Rent PSF |
|---------|---------------|------------------|
| 01 - 12 | \$24,731.85 | \$1.95 |
| 13 - 24 | \$25,492.83 | \$2.01 |
| 25 - 36 | \$26,253.81 | \$2.07 |
| 37 - 48 | \$27,014.79 | \$2.13 |
| 49 - 60 | \$27,775.77 | \$2.19 |
| 61 - 72 | \$28,663.58 | \$2.26 |
| 73 - 84 | \$29,551.39 | \$2.33 |



TENANT PROFILE



Goyette & Associates

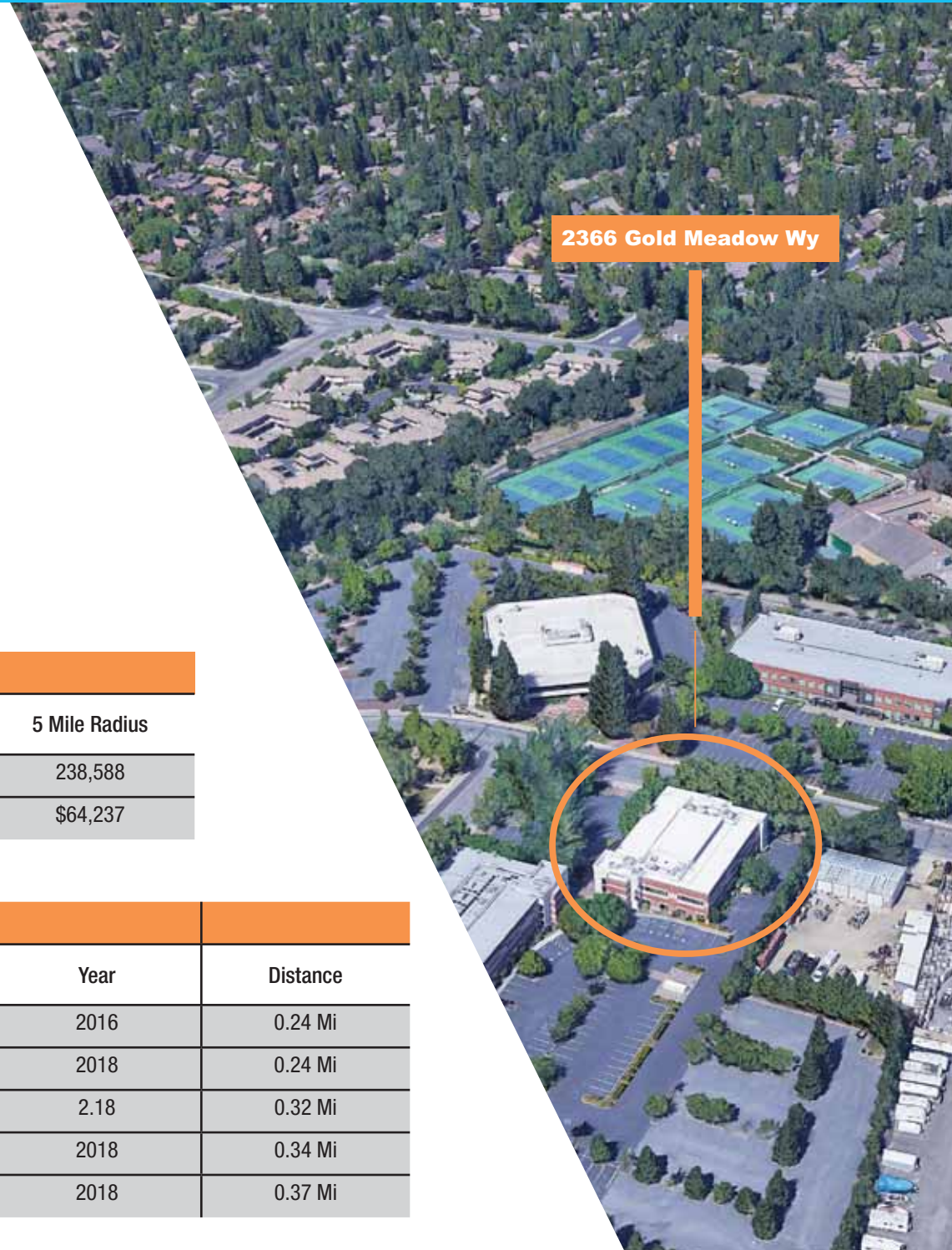
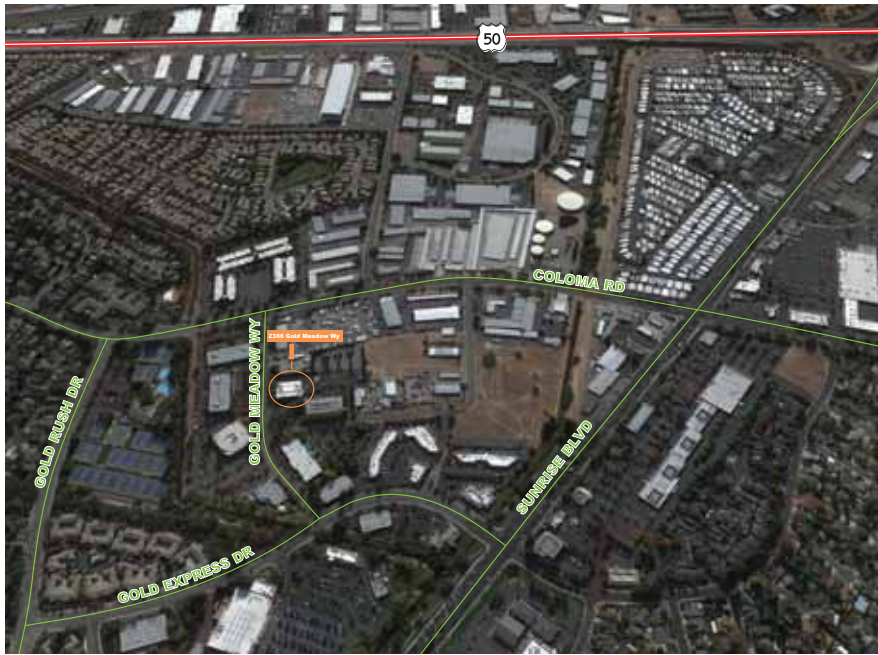
For over 20 years Goyette & Associates, Inc., has provided full scope legal services for labor and employment matters. Goyette's labor lawyers represent private sector unions and public employee associations such as peace officer and firefighter organizations, management groups and general employee associations. Goyette & Associates, Inc handles personal injury and wage and hour claims for individual employees. For wage claims based on violations of both the FLSA and California wage law, Goyette & Associates' lawyers represent both individuals and classes of employees to recover overtime pay (for both nonexempt and misclassified exempt workers), prevailing wages, wages for missed meal and rest periods, and civil penalties. For public sector employee associations and private sector unions, the Law Firm's labor negotiators and labor representatives routinely handle collective bargaining and our labor lawyers represent employees in disciplinary appeals. The Firm's Civil Litigation lawyers provide both employee and employer side representation, filing law suits on behalf of employees and helping employers build, grow and defend their businesses and companies.



TENANT AND AMENITIES MAP



Locations are approximate



DEMOGRAPHICS AND TRAFFIC COUNTS

DEMOGRAPHICS

| | 1 Mile Radius | 3 Mile Radius | 5 Mile Radius |
|---------------------------------|---------------|---------------|---------------|
| Total Population (2019) | 7,853 | 72,810 | 238,588 |
| Average Household Income (2019) | \$71,456 | \$75,261 | \$64,237 |

TRAFFIC COUNTS

| Collection Street | Cross Street | Traffic Volumn | Year | Distance |
|-------------------|--------------------|----------------|------|----------|
| Gold River Road | Gold Station Drive | 10,123 | 2016 | 0.24 Mi |
| Gold River Road | Gold Station Drive | 9,854 | 2018 | 0.24 Mi |
| Sunrise Boulevard | Coloma Road | 94,641 | 2.18 | 0.32 Mi |
| Gold Rush Drive | Crocker Grove Ln | 1,767 | 2018 | 0.34 Mi |
| Coloma Road | Citrus Road | 13,826 | 2018 | 0.37 Mi |

CITY OF GOLD RIVER

Approximately 15 miles from downtown Sacramento and nearby Folsom Lake, Gold River is home to a broad range of outdoor recreation from water sports to cycling due to its location along the American River Parkway. Gold River is an upscale community along the Highway 50 Corridor. The area caters to business executives and professionals due to its secure, gated residential neighborhoods mixed with high-end commercial establishments. Gold River is bounded by the American River to the north, Hazel Avenue to the east, Highway 50 to the south and Sunrise Boulevard to the west. With a median family income of over \$117,000, Gold River is amongst the highest in the region. Its office market is blended within the Highway 50 Corridor East submarket, which is the largest concentration of office space in the region. Gold River appeals to both corporate users as well as business professionals.

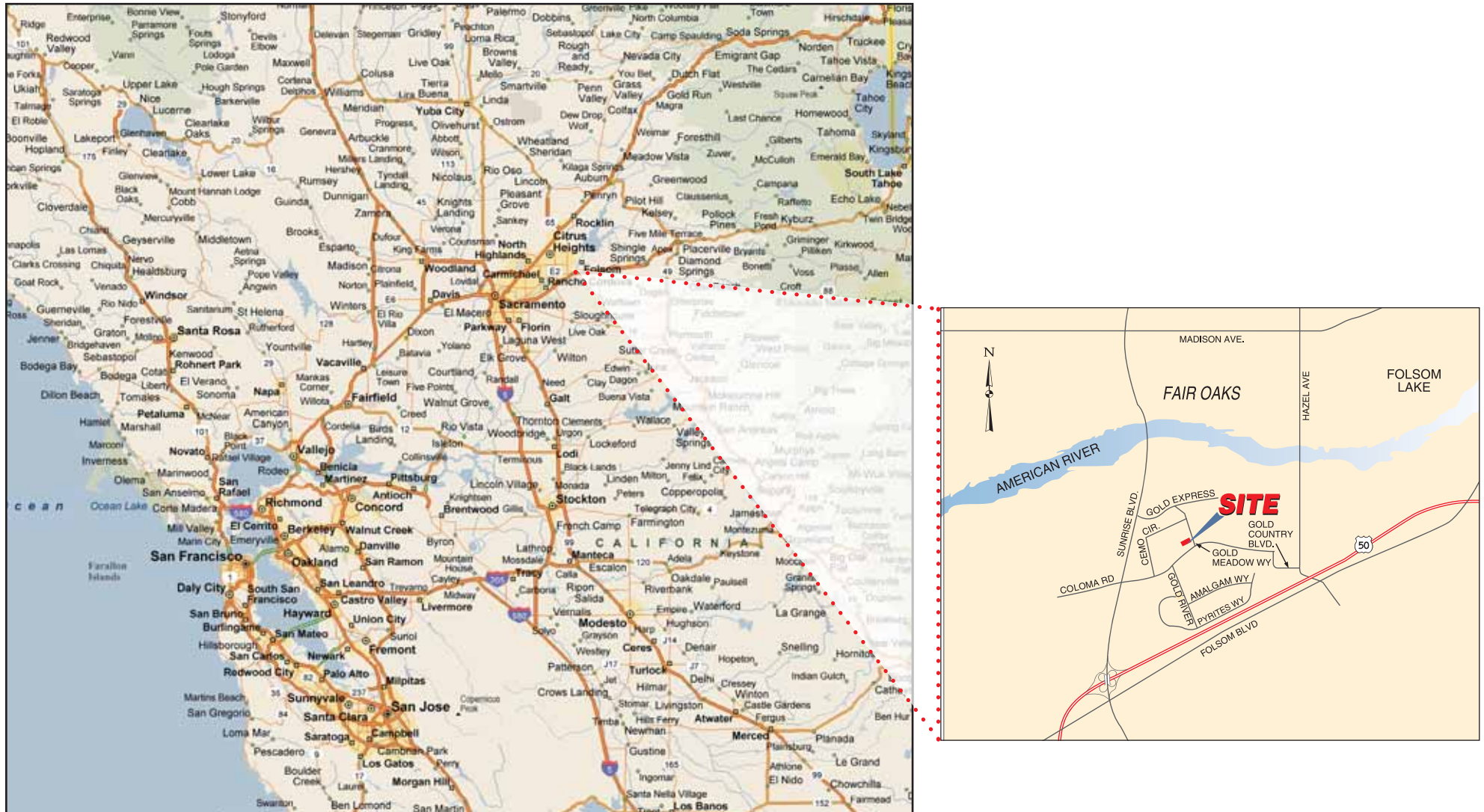


TOP HIGHWAY 50 EAST MAJOR EMPLOYERS

| Company | Number of Local Employees |
|----------------------------------|---------------------------|
| State Government (non-education) | 88,700 |
| State Government (education) | 31,300 |
| Local Government (non-education) | 47,200 |
| Local Government (education) | 59,200 |
| Federal Government | 16,200 |
| Sutter Health Sacramento Region | 15,014 |
| Kaiser Permanente | 14,368 |
| U.C. Davis Health System | 10,149 |
| Dignity Health | 8,039 |
| Intel Corporation | 6,000 |
| Raley's Inc. | 5,597 |
| Apple, Inc. | 4,000 |
| Sateway | 3,917 |
| Health Net, Inc. | 3,000 |
| VSP Global | 2,927 |
| Wells Fargo | 2,891 |
| Pacific Gas & Electric | 2,747 |
| California State Prison | 1,726 |
| Marshall Medical Center | 1,573 |
| Eskaton | 1,367 |
| Aerojet Rocketdyne, Inc. | 1,340 |
| Blue Shield of CA | 1,277 |
| Red Hawk Casino | 1,200 |
| Siemens Industry, Inc. | 1,000 |
| Powerschool Group, LLC | 425 |

SACRAMENTO AREA OVERVIEW

Sacramento is the capital city of California, the sixth largest city in the state, and the 35th largest city in the United States. The urban Sacramento area has a population of 1.44 million while the Sacramento Valley, which includes ten counties, has an estimated population of 2.66 million. Sacramento is one of the most historic cities in California, boasting an impressive array of museums, landmarks, parks, amenities, and more. California State University, Sacramento, is located in downtown Sacramento and offers 151 Bachelor's degrees, 69 Master's degrees, 28 teaching credentials, and 2 Doctoral degrees. There are over 30,500 students enrolled annually. Sacramento is not only the state's capital; it is also a growing metropolitan region. Government and transportation are key sectors of the Sacramento economy. Technology-related companies such as Intel and Hewlett-Packard have increasingly been drawn to Sacramento based on proximity to research centers and a well-educated labor pool. Other economic drivers include health services, hospitality, education & construction.



THE HIGHWAY 50 CORRIDOR OFFICE MARKET

The 50 Corridor East office market consists of approximately 11.6 million square feet and 245 office buildings. As of the second quarter of 2019, the total vacancy was 13.62% at the end of Q2. In general, over the last several years the vacancy rate has fallen as a result of tenant expansions with the leasing and purchases of facilities by larger firms including Sutter Health, State of CA, Blue Shield of CA, Dignity Health, and Centene/Health Net.

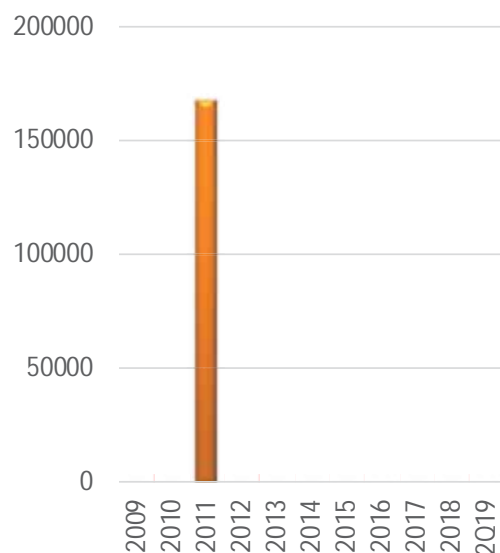
RATE VACANCY



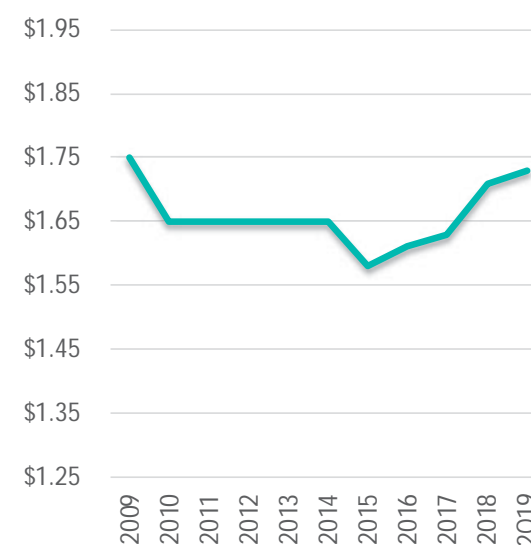
NET ABSORPTION



UNDER CONSTRUCTION



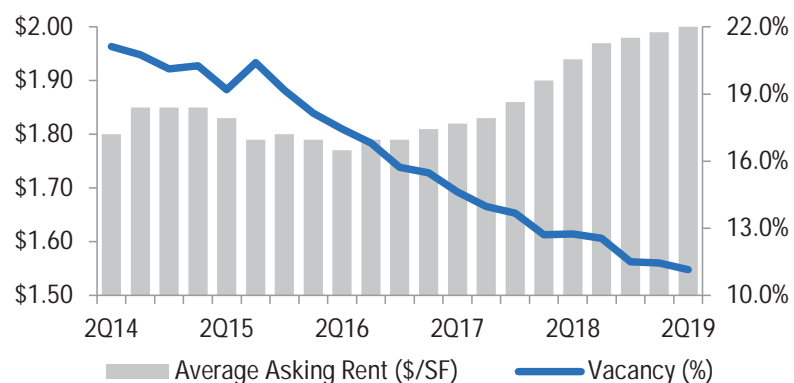
LEASE RATE



SACRAMENTO OFFICE MARKET

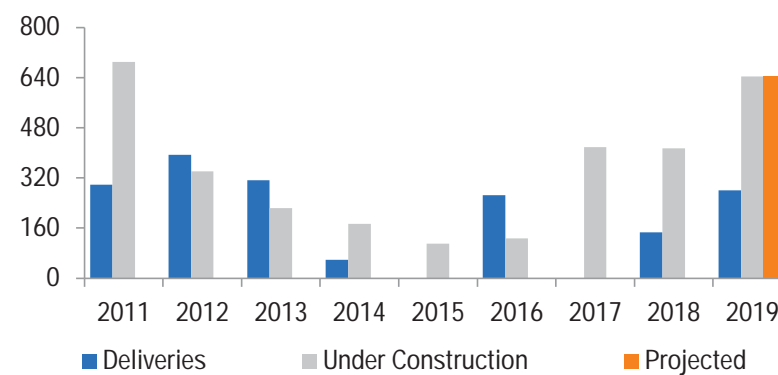
Although the Sacramento office market had a slow start to 2019, with only 43,171 square feet of positive net absorption in the first quarter, the market bounced back with 380,466 square feet of positive net absorption in the second quarter and 423,637 square feet at the midyear mark. This marked the 11th consecutive quarter of positive net absorption for the market. Its vacancy rate also dropped, to 11.2% from 11.5%. The leading submarkets as of midyear 2019 are Downtown, 50 East Corridor (2366 Gold Meadow Way), and Roseville, continuing the trend established in 2018. As vacancy continues to drop, the lack of inventory will be felt in most of the top-performing markets and will keep upward pressure on rental rates looking forward.

ASKING RENT AND VACANCY



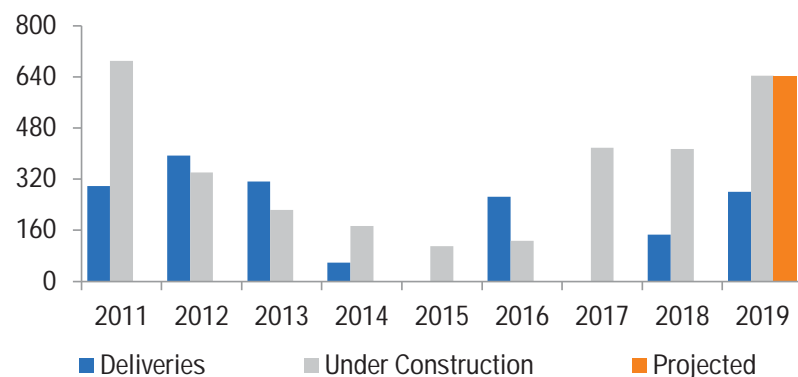
NET ABSORPTION

Square Feet, Thousands



CONSTRUCTION AND DELIVERIES

Square Feet, Millions



MARKET SUMMARY

| | Current Quarter | Prior Quarter | Year Ago Period | 12 Month Forecast |
|--------------------------|-----------------|---------------|-----------------|-------------------|
| Total Inventory | 69.5M SF | 69.2M SF | 69.1M | ↑ |
| Total Availability Rate | 11.2% | 11.5% | 12.7% | ↓ |
| Quarterly Net Absorption | 380K SF | 43K SF | 19K SF | ↑ |
| Total FS Asking Rent | \$2.00/SF | \$1.99/SF | \$1.94/SF | ↑ |
| Under Construction | 643K SF | 926K SF | 324K SF | ↑ |
| Deliveries | 280K SF | 0 SF | 127K SF | ↑ |

LEASE COMPARABLES

| | | | |
|-------------------|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| Property: | 2365 Iron Point Circle #160 Folsom | 1180 Iron Point Road 3rd Floor Folsom | 340 Palladio Parkway #520 Folsom |
| |  |  |  |
| Tenant: | Locations Services, LLC | Corvel Healthcare Corporation | Protelo, Inc. |
| Size: | 8,347 SF | 23,761 sf | 9,251 sf |
| Lease Date: | 10/25/19 | 5/1/19 | 2/1/19 |
| Lease Term: | 77 Months | 60 Months | 12 Months |
| Lease Rate: | \$2.20 psf, FS | \$2.17 psf, FS | \$2.15 psf, FS |
| TI's / Free Rent: | None / 5 M | \$17.00 psf / None | None / None |
| Comments: | 3% annual increases. | 3% annual increases. | Flat rate. |
| Property: | 10850 Gold Center Drive #100/200 Rancho Cordova | 2882 Prospect Park Drive #450 Rancho Cordova | 10995 Gold Center Drive #100 Rancho Cordova |
| |  |  |  |
| Tenant: | NEC Cororation of America | QuoteWizard | Black & Veatch Corporation |
| Size: | 35,071 sf | 14,208 sf | 14,263 sf |
| Lease Date: | 7/01/19 | 12/1/18 | 8/1/18 |
| Lease Term: | 84 Months | 64 Months | 69 Months |
| Lease Rate: | \$2.05 psf, FS | \$2.00 psf, FS | \$1.90 psf, FS |
| TI's / Free Rent: | \$1.78 psf / 3 M | None / 4 M | \$6.00 psf / 1 M |
| Comments: | 3% annual increases. | \$0.05/sf annual increases. | 3% annual increases. |

SALE COMPARABLES

| Property: | 10590 Armstrong Avenue Mather | 2575 E. Bidwell Street Folsom | 100 Iron Point Circle Folsom |
|-------------|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| |  |  |  |
| Sale Date: | 9/29/17 | 5/10/19 | 5/31/18 |
| Sale Price: | \$8,000,000 | \$7,525,000 | \$3,250,000 |
| Size: | 35,855 sf | 37,040 sf | 10,000 sf |
| Price PSF: | \$223.12 | \$203.16 | \$325.00 |
| Buyer: | WHAL Properties, LP | Bulldog Properties, LLC | 100 Iron Point, LLC |
| Seller: | Mather Development Partners V | JDMN 26 Investors LLC | Climb Society, LLC |
| Comments: | | | |

| Property: | 2920 Kilgore Road Rancho Cordova | 10680 White Rock Road Rancho Cordova | 530 Plaza Drive, Building F Folsom |
|-------------|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| |  |  |  |
| Sale Date: | 4/4/18 | 2/28/18 | 1/30/17 |
| Sale Price: | \$10,300,000 | \$2,450,000 | \$1,855,000 |
| Size: | 49,333 sf | 13,480 sf | 7,270 sf |
| Price PSF: | \$208.79 | \$181.75 | \$255.16 |
| Buyer: | Boyd State Rancho Cordova, LLC | Paynes Creek Dev LLC | Mineral King Radiological Group |
| Seller: | Prospect Park Office LLC | Howard N Goldenberg & Kathi M Roisen 2008 Trust | Quail Park Folsom LLC |
| Comments: | | | |

EXCLUSIVE AGENTS

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