

OFFERING MEMORANDUM.



Walgreens Ridgecrest, CA

The Maffia Team



File Photo

\$5,400,000
5.65% CAP Rate

- ◆ Long-Term NNN Lease
 - ◆ Approximately 17 Years Remaining
- ◆ Walgreen Co. is rated “BBB” by S&P
- ◆ Located at a High-Traffic Intersection in a Densely Populated Retail Corridor

Newmark Knight Frank
Cornish & Carey Commercial
Leased Investment Group



Confidentiality & Disclosure

Cornish & Carey Commercial Newmark Knight Frank (“Broker”) has been retained on an exclusive basis to market the property described herein (“Property”). Broker has been authorized by the Seller of the Property (“Seller”) to prepare and distribute the enclosed information (“Material”) for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

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Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

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Property Information

Location	The subject property is located at 101 Drummond Avenue in Ridgecrest, California and is situated on the southwest corner of North China Lake Boulevard and Drummond Avenue.
Lot Size	Approximately 1.67 acres, or 72,745 square feet.
Improvements	Construction was completed in 2005 of an approximately 14,550 square foot drugstore for Walgreens with a two-lane prescription drive-thru.
Lease	Leased to Walgreens Co. from March 21st, 2005 to March 20th, 2030 at an annual rent of \$305,000. After these 25 years, the lease automatically continues in full force for another 50 years unless Walgreens cancels. Walgreens may cancel effective as of March 20th, 2030, and every 5 years thereafter. The lease is triple net, with the tenant responsible for taxes, insurance, and maintenance, including roof and structure. The tenant has a right of first refusal, which it must exercise within 15 days after receipt of a bona fide offer to purchase. See also “Percentage Rent.”
Net Annual Income	\$305,000
Price	\$5,400,000 (5.65% Return)
Financing	The property will be delivered free and clear of permanent financing.
Percentage Rent	<p>The tenant pays the higher of fixed rent or percentage rent. The percentage rent calculation is 2% of general sales and 0.5% of food and prescription sales (excluding third-party prescription plans). Real estate taxes and insurance costs are then deducted from this, the net amount after this deduction being the percentage rent. If the percentage rent is higher than the minimum rent, Walgreens pays the higher amount, but in no case will total rent be more than \$900,000.</p> <p>Notwithstanding the paragraph above, it is unlikely Walgreens will “ever” pay percentage rent, on this store or any store. The calculated percentage rent, which excludes prescriptions covered by insurance, HMO’s, or Medicare, is far too difficult to reach.</p>



Tenant Information

About the Tenant

Incorporated in 1909, **Walgreen Co.** (NYSE: “WAG”) operates 8,516 locations comprising 8,058 drugstores, 369 Health & Wellness/worksites facilities, 80 home medical facilities, and 9 “other” stores (corporate store, mail order facilities, specialty pharmacies, and institutional pharmacies) in 50 states, the District of Columbia, Puerto Rico, and Guam. The company also owns 37 strip shopping malls and operates 367 Take Care Clinics (in-store clinics providing a wide range of healthcare services for patients aged 18 months and older).

For the fiscal year ended August 31, 2012, Walgreen Co. reported revenue of \$71.633 billion with net income of \$2.127 billion and net worth of \$18.236 billion. Walgreen enjoys a Standard & Poor’s rating of “BBB” and is ranked 32nd in the 2012 Fortune 500.

For additional information, see www.walgreens.com.



About the Area

Site Information

The subject property is situated on the southwest corner of North China Lake Boulevard and Drummond Avenue which are both 2 of the major streets in Ridgecrest. A few blocks away from the property, the traffic count on North China Lake Boulevard over 20,000 vehicles per day.

The property is located just south of the Naval Air Weapons Station – China Lake. The station is the Navy’s largest single landholding, representing 85 percent of the Navy’s land for weapons research, development, acquisition, testing and evaluation and 38 percent of the Navy’s land holdings worldwide. In total, its two ranges and main site cover more than 1,100,000 acres, an area larger than the state of Rhode Island.

The Ridgecrest Regional Hospital is located a block north of the subject property. Notable national tenants such as Big Lots, Stater Bros, Big 5, Kmart, O’Reilly, Dominos, AutoZone, and Goodwill are all located across the street from the site.

General Overview

Ridgecrest is located in the Indian Wells Valley in northeastern Kern County, California. The population was 27,616 as of the 2010 census. Ridgecrest is surrounded by four mountain ranges; the Sierra Nevada on the west, the Coso Range on the north, the Argus Range on the east, and the El Paso Mountains on the south. It is approximately 80 miles from the Lancaster/Palmdale area and approximately 145 miles from both Bakersfield and San Bernardino.

The main employer in Ridgecrest is the Naval Air Weapons Station – China Lake.

Site Plan

DRUMMOND AVE



PYLON SIGN

N CHINA LAKE BLVD



 *Walgreens*

14,550 SF

 Budget Inn
& Suites

DRIVE
THRU

FENCE

Aerial | Close-up View



Drummond Ave



TOKYO HOUSE



N China Lake Blvd



Aerial | Midrange View

kmart

AutoZone

**Little Caesars
pizzapizza!**

RE/MAX

**BIG
LOTS!**

STATER BR.

**Domino's
Pizza**

**BIG 5
SPORTING GOODS**

**9
goodwill**

TOKYO HOUSE

O'Reilly

Arbys

**Starbucks
at&t**

**COLDWELL
BANKER**

**CALIFORNIA
178**

/ N China Lake Blvd

Drummond Ave

**CARRIAGE INN
RIDGECREST**

Walgreens

SUBWAY

**Budget Inn
& Suites**

**RIDGECREST AREA
CONVENTION &
VISITORS BUREAU**

**HERITAGE
VILLAGE**

Aerial | Distant View

HERITAGE VILLAGE

RIDGECREST REGIONAL HOSPITAL

Sydnor St



NATIONAL HEALTH SERVICES



HERITAGE SQUARE



CARRIAGE INN RIDGECREST



kmart



RIDGECREST TOWN CENTRE

RIDGECREST TOWN CENTRE

BURROUGHS HIGH SCHOOL



N China Lake Blvd

RIDGECREST AREA CONVENTION & VISITORS BUREAU



RIDGECREST TOWN CENTRE

RIDGECREST TOWN CENTRE

Drummond Ave

LEROY JACKSON PARK

W Las Flores Ave

MATURANGO MUSEUM

French Ave

Location Map



Site

190

395

Owens Lake

395

Wildrose Campground

Telescope Peak

Sequoia National Park

Sequoia National Forest

Visalia

Lindcove

Exeter

Tulare

Lindsay

99

Porterville

65

Delano

99

McFarland

Wasco

Shafter

Oildale

Bakersfield

58

Lamont

99

Arvin

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Kern River Preserve

Indian Wells

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Ridgecrest

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Red Rock Canyon State Park

California City

Cal City MX Park

Mojave

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Edwards Air Force Base

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Rosamond

58

Barstow

Yermo

15

40

40

Pinos Mount

Frazier Mountain Park

138

Lancaster

Saddleback Butte State Park

395

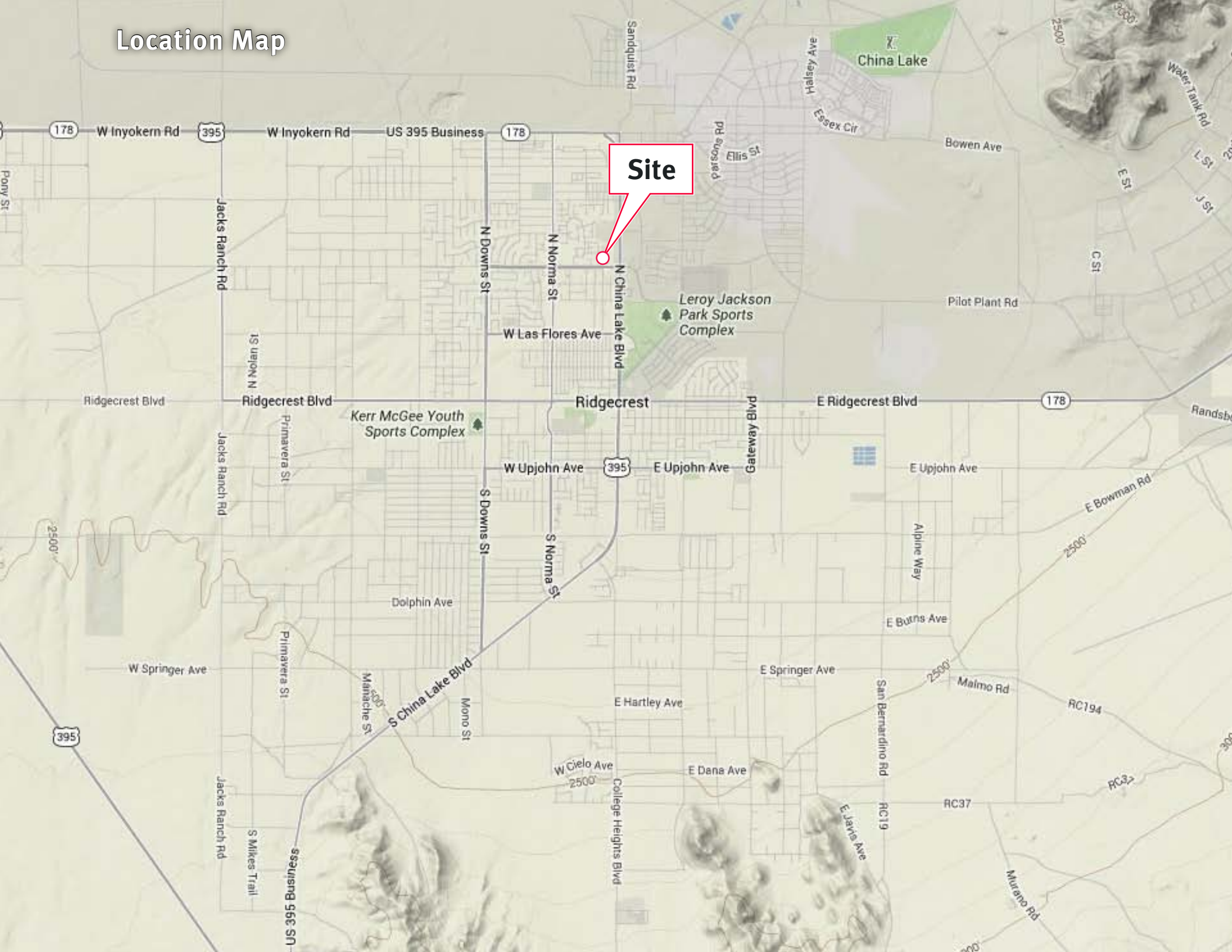
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Location Map



Site

Location Map





Demographics

101 Drummond Ave
Ridgecrest, CA 93555

	1 mile	3 miles	5 miles
Population Summary			
2000 Total Population	6,770	26,020	28,457
2010 Total Population	7,267	28,427	31,247
2012 Total Population	7,055	28,441	31,378
2012 Group Quarters	93	199	199
2017 Total Population	6,973	29,294	32,496
2012-2017 Annual Rate	-0.23%	0.59%	0.70%
Household Summary			
2000 Households	2,806	10,280	11,233
2000 Average Household Size	2.38	2.50	2.51
2010 Households	2,862	11,138	12,249
2010 Average Household Size	2.51	2.53	2.53
2012 Households	2,795	11,249	12,420
2012 Average Household Size	2.49	2.51	2.51
2017 Households	2,731	11,503	12,773
2017 Average Household Size	2.52	2.53	2.53
2012-2017 Annual Rate	-0.46%	0.45%	0.56%
2010 Families	1,879	7,405	8,191
2010 Average Family Size	3.07	3.09	3.08
2012 Families	1,817	7,406	8,227
2012 Average Family Size	3.05	3.06	3.06
2017 Families	1,791	7,620	8,516
2017 Average Family Size	3.08	3.08	3.07
2012-2017 Annual Rate	-0.28%	0.57%	0.69%
Housing Unit Summary			
2000 Housing Units	3,297	11,885	12,970
Owner Occupied Housing Units	53.8%	55.2%	56.8%
Renter Occupied Housing Units	31.3%	31.3%	29.8%
Vacant Housing Units	14.9%	13.5%	13.4%
2010 Housing Units	3,257	12,317	13,528
Owner Occupied Housing Units	52.9%	55.5%	57.4%
Renter Occupied Housing Units	35.0%	34.9%	33.2%
Vacant Housing Units	12.1%	9.6%	9.5%
2012 Housing Units	3,250	12,496	13,766
Owner Occupied Housing Units	50.1%	53.8%	55.8%
Renter Occupied Housing Units	35.9%	36.2%	34.4%
Vacant Housing Units	14.0%	10.0%	9.8%
2017 Housing Units	3,273	12,893	14,269
Owner Occupied Housing Units	48.8%	53.9%	56.1%
Renter Occupied Housing Units	34.6%	35.3%	33.4%
Vacant Housing Units	16.6%	10.8%	10.5%
Median Household Income			
2012	\$48,871	\$53,614	\$55,083
2017	\$59,174	\$62,499	\$64,848
Median Home Value			
2012	\$123,425	\$127,048	\$128,717
2017	\$139,039	\$145,372	\$148,519
Per Capita Income			
2012	\$26,898	\$26,506	\$27,484
2017	\$29,922	\$29,502	\$30,630
Median Age			
2010	36.1	34.4	35.4
2012	36.4	34.7	35.9
2017	37.1	35.5	36.9



Demographics

101 Drummond Ave
Ridgecrest, CA 93555

	1 mile	3 miles	5 miles
2012 Households by Income			
Household Income Base	1,623	10,887	32,306
<\$15,000	21.7%	24.6%	21.0%
\$15,000 - \$24,999	17.6%	17.7%	16.1%
\$25,000 - \$34,999	13.0%	13.4%	12.7%
\$35,000 - \$49,999	16.3%	15.4%	15.4%
\$50,000 - \$74,999	20.0%	17.2%	17.7%
\$75,000 - \$99,999	4.5%	4.9%	6.7%
\$100,000 - \$149,999	3.8%	4.4%	6.5%
\$150,000 - \$199,999	1.9%	1.2%	1.6%
\$200,000+	1.2%	1.1%	2.2%
Average Household Income	\$43,652	\$41,479	\$48,744
2017 Households by Income			
Household Income Base	1,605	11,094	33,128
<\$15,000	21.7%	24.5%	20.8%
\$15,000 - \$24,999	13.9%	13.6%	12.4%
\$25,000 - \$34,999	10.7%	11.5%	10.6%
\$35,000 - \$49,999	13.9%	14.2%	13.5%
\$50,000 - \$74,999	22.7%	19.3%	19.1%
\$75,000 - \$99,999	7.2%	7.6%	10.0%
\$100,000 - \$149,999	5.3%	6.1%	8.6%
\$150,000 - \$199,999	2.9%	1.9%	2.4%
\$200,000+	1.7%	1.3%	2.5%
Average Household Income	\$51,149	\$47,842	\$56,663
2012 Owner Occupied Housing Units by Value			
Total	1,023	6,405	18,583
<\$50,000	6.1%	7.7%	5.7%
\$50,000 - \$99,999	29.1%	30.1%	24.5%
\$100,000 - \$149,999	35.2%	30.5%	31.5%
\$150,000 - \$199,999	16.9%	16.3%	20.2%
\$200,000 - \$249,999	6.5%	7.4%	8.9%
\$250,000 - \$299,999	3.4%	3.9%	4.3%
\$300,000 - \$399,999	2.1%	2.8%	3.3%
\$400,000 - \$499,999	0.5%	0.8%	1.0%
\$500,000 - \$749,999	0.2%	0.4%	0.5%
\$750,000 - \$999,999	0.0%	0.0%	0.0%
\$1,000,000 +	0.0%	0.0%	0.0%
Average Home Value	\$131,881	\$134,567	\$146,447
2017 Owner Occupied Housing Units by Value			
Total	1,029	6,549	19,014
<\$50,000	4.1%	5.2%	3.8%
\$50,000 - \$99,999	25.1%	26.2%	21.0%
\$100,000 - \$149,999	32.4%	28.2%	28.2%
\$150,000 - \$199,999	21.3%	20.4%	24.2%
\$200,000 - \$249,999	9.8%	10.8%	12.5%
\$250,000 - \$299,999	4.0%	4.5%	4.7%
\$300,000 - \$399,999	2.5%	3.4%	3.8%
\$400,000 - \$499,999	0.5%	0.8%	1.0%
\$500,000 - \$749,999	0.3%	0.5%	0.6%
\$750,000 - \$999,999	0.0%	0.0%	0.1%
\$1,000,000 +	0.0%	0.0%	0.0%
Average Home Value	\$143,753	\$147,102	\$157,861



Demographics

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	1 mile	3 miles	5 miles
2012 Households by Income			
Household Income Base	2,795	11,249	12,420
<\$15,000	18.7%	13.3%	12.8%
\$15,000 - \$24,999	10.7%	9.8%	9.4%
\$25,000 - \$34,999	9.1%	9.2%	9.0%
\$35,000 - \$49,999	12.1%	13.7%	13.4%
\$50,000 - \$74,999	13.5%	19.4%	19.2%
\$75,000 - \$99,999	12.9%	14.0%	14.0%
\$100,000 - \$149,999	14.2%	14.6%	15.3%
\$150,000 - \$199,999	6.7%	4.3%	5.2%
\$200,000+	2.1%	1.6%	1.8%
Average Household Income	\$66,639	\$66,554	\$68,795
2017 Households by Income			
Household Income Base	2,731	11,503	12,773
<\$15,000	17.7%	12.3%	11.8%
\$15,000 - \$24,999	8.6%	7.7%	7.4%
\$25,000 - \$34,999	7.9%	7.2%	7.0%
\$35,000 - \$49,999	10.3%	11.8%	11.5%
\$50,000 - \$74,999	12.1%	18.4%	18.1%
\$75,000 - \$99,999	16.5%	18.5%	18.4%
\$100,000 - \$149,999	16.1%	16.8%	17.4%
\$150,000 - \$199,999	8.5%	5.3%	6.3%
\$200,000+	2.3%	1.9%	2.1%
Average Household Income	\$75,045	\$74,687	\$77,258
2012 Owner Occupied Housing Units by Value			
Total	1,629	6,720	7,683
<\$50,000	7.6%	7.2%	7.7%
\$50,000 - \$99,999	28.0%	27.5%	27.1%
\$100,000 - \$149,999	30.8%	28.4%	26.4%
\$150,000 - \$199,999	18.8%	20.2%	19.2%
\$200,000 - \$249,999	9.0%	8.8%	9.1%
\$250,000 - \$299,999	4.2%	4.6%	5.2%
\$300,000 - \$399,999	1.4%	2.6%	3.6%
\$400,000 - \$499,999	0.2%	0.6%	1.0%
\$500,000 - \$749,999	0.1%	0.3%	0.5%
\$750,000 - \$999,999	0.0%	0.0%	0.1%
\$1,000,000 +	0.0%	0.0%	0.0%
Average Home Value	\$132,079	\$139,176	\$145,005
2017 Owner Occupied Housing Units by Value			
Total	1,598	6,942	8,001
<\$50,000	6.7%	6.2%	6.6%
\$50,000 - \$99,999	23.0%	22.3%	22.0%
\$100,000 - \$149,999	26.0%	23.7%	22.0%
\$150,000 - \$199,999	26.0%	27.4%	25.8%
\$200,000 - \$249,999	11.7%	11.0%	11.2%
\$250,000 - \$299,999	4.4%	4.6%	5.1%
\$300,000 - \$399,999	1.7%	3.0%	4.1%
\$400,000 - \$499,999	0.3%	1.1%	1.9%
\$500,000 - \$749,999	0.1%	0.6%	1.0%
\$750,000 - \$999,999	0.0%	0.1%	0.2%
\$1,000,000 +	0.0%	0.0%	0.0%
Average Home Value	\$143,626	\$153,086	\$161,003



Demographics

101 Drummond Ave
Ridgecrest, CA 93555

	1 mile	3 miles	5 miles
2010 Population by Race/Ethnicity			
Total	3,793	27,088	78,661
White Alone	87.7%	78.8%	76.8%
Black Alone	3.6%	7.5%	10.6%
American Indian Alone	2.6%	2.0%	1.6%
Asian Alone	0.6%	0.4%	0.6%
Pacific Islander Alone	0.0%	0.0%	0.0%
Some Other Race Alone	1.8%	6.5%	5.5%
Two or More Races	3.8%	4.8%	4.8%
Hispanic Origin	7.7%	18.6%	15.3%
Diversity Index	33.8	56.2	55.4
2012 Population by Race/Ethnicity			
Total	3,738	27,231	79,463
White Alone	87.5%	78.5%	76.5%
Black Alone	3.5%	7.3%	10.5%
American Indian Alone	2.6%	2.0%	1.6%
Asian Alone	0.6%	0.4%	0.6%
Pacific Islander Alone	0.0%	0.0%	0.0%
Some Other Race Alone	1.8%	6.6%	5.7%
Two or More Races	4.0%	5.0%	5.0%
Hispanic Origin	7.9%	19.1%	15.8%
Diversity Index	34.4	56.9	56.2
2017 Population by Race/Ethnicity			
Total	3,688	27,670	81,335
White Alone	86.9%	78.0%	75.8%
Black Alone	3.4%	7.0%	10.2%
American Indian Alone	2.6%	1.9%	1.5%
Asian Alone	0.6%	0.4%	0.7%
Pacific Islander Alone	0.0%	0.0%	0.0%
Some Other Race Alone	2.0%	7.0%	6.1%
Two or More Races	4.5%	5.6%	5.6%
Hispanic Origin	8.8%	20.7%	17.3%
Diversity Index	36.5	58.7	58.2
2010 Population by Relationship and Household Type			
Total	3,792	27,087	78,661
In Households	98.0%	95.4%	95.9%
In Family Households	78.7%	76.0%	75.2%
Householder	25.1%	23.6%	23.6%
Spouse	16.0%	15.3%	15.7%
Child	30.6%	30.6%	29.8%
Other relative	3.1%	3.4%	3.2%
Nonrelative	3.8%	3.1%	2.8%
In Nonfamily Households	19.3%	19.5%	20.7%
In Group Quarters	2.0%	4.6%	4.1%
Institutionalized Population	1.5%	2.9%	2.5%
Noninstitutionalized Population	0.5%	1.7%	1.6%



Demographics

101 Drummond Ave
Ridgecrest, CA 93555

	1 mile	3 miles	5 miles
2010 Households by Type			
Total	1,646	10,822	31,973
Households with 1 Person	33.2%	34.0%	34.4%
Households with 2+ People	66.8%	66.0%	65.6%
Family Households	60.8%	59.3%	58.3%
Husband-wife Families	39.0%	38.5%	38.8%
With Related Children	15.1%	16.7%	16.5%
Other Family (No Spouse Present)	21.8%	20.8%	19.5%
Other Family with Male Householder	6.6%	5.8%	5.3%
With Related Children	4.5%	3.8%	3.6%
Other Family with Female Householder	15.2%	15.0%	14.2%
With Related Children	10.1%	10.5%	10.1%
Nonfamily Households	6.0%	6.6%	7.3%
All Households with Children	30.3%	31.5%	30.7%
Multigenerational Households	4.1%	3.7%	3.2%
Unmarried Partner Households	9.1%	8.6%	7.9%
Male-female	8.6%	8.0%	7.2%
Same-sex	0.5%	0.6%	0.7%
2010 Households by Size			
Total	1,646	10,821	31,974
1 Person Household	33.2%	34.0%	34.4%
2 Person Household	32.4%	30.8%	31.4%
3 Person Household	14.2%	13.8%	14.0%
4 Person Household	10.8%	11.1%	10.7%
5 Person Household	5.6%	6.0%	5.6%
6 Person Household	2.6%	2.5%	2.2%
7 + Person Household	1.2%	1.7%	1.7%
2010 Households by Tenure and Mortgage Status			
Total	1,647	10,822	31,974
Owner Occupied	65.4%	61.1%	59.9%
Owned with a Mortgage/Loan	37.1%	38.0%	39.9%
Owned Free and Clear	28.3%	23.0%	20.1%
Renter Occupied	34.6%	38.9%	40.1%