

3500-3550 BERNAL AVE | PLEASANTON, CA

VINTAGE HILLS SHOPPING CENTER



OFFERING MEMORANDUM







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VINTAGE HILLS SHOPPING CENTER

3500-3550 BERNAL AVENUE | PLEASANTON, CA 94566

Primary Contact:

BRYAN WEBB
Vice President
bryan.webb@colliers.com
Office: +1 415 288 7873
License # CA-01826546

Secondary Contact:

CHERIE HUILLADE
Senior Vice President
cherie.huillade@colliers.com
Office: +1 925 279 4622
License # CA-00918839

Local Market Leasing Expert:

STEPHEN RUSHER
Senior Vice President
stephen.rusher@colliers.com
Office: +1 415 293 6297
License # CA-01439740



INVESTMENT SUMMARY

INVESTMENT OVERVIEW



Colliers International, as exclusive advisor, is pleased to present the opportunity to acquire the **Vintage Hills Shopping Center** (“the Property”) located at 3500-3550 Bernal Avenue in Pleasanton, California.

Situated in a prominent suburb within the East Bay, the subject property consists of a ±55,366 square foot grocery-anchored shopping center, anchored by New Leaf Community Markets (±19,245 sq.ft.), and is 80% leased to an exceptional mix of regionally known retailers, some which have been a tenant in the building for over two decades. The subject property is located

approximately 1 mile from the city of Pleasanton’s downtown core and the ACE transit station, which brings people to and from the Pleasanton/Dublin BART station. The subject property is sits on a large ±5.09 acre lot and boasts a 6.74 per 1,000 square feet parking ratio.

The Vintage Hills Shopping Center presents an opportunity to acquire a high quality, debt free, grocery-anchored asset in Northern California, with significant upside through lease up in the developable pad fronting the shopping center.







3550

Genius Kids









INVESTMENT HIGHLIGHTS

➤ **Premier Bay Area Grocery-Anchored Retail Investment Opportunity:**

Generational grocery-anchored center consisting of approximately 55,366 square feet located in the heart of the San Francisco Bay Area and in excellent proximity to downtown Pleasanton.

➤ **Exceptional Retail Tenant Mix with Regional Tenants:** This center is 80% leased and is anchored by grocer New Leaf Community Market. The property is occupied by a mix of local/regional tenants including two schools, Little Flowers Montessori and Genius Kids, which both have a playground area behind their space. The shops and restaurants are tailored to the local appeal of the surrounding residential neighborhoods.

➤ **Limited Grocer Competition, and large Luxury Residential Community surrounding the Subject Property:** The closest grocery competitor, Raley's, is located over two miles from the Subject Property which primarily serves the Happy Valley, Pleasanton Hill's residential neighborhood, and is a much longer commute for groceries to the lower and upper Vintage Hill residents along with Pleasanton Heights, Kottinger Ranch, Bond Ranch which wrap around the subject shopping center.

➤ **Outstanding Site Characteristics:** Vintage Hills Shopping Center has excellent frontage and visibility along Bernal Avenue, with a number of ingress and egress points, and above average parking with 289 stalls 6.74 Per:1,000 parking ratio.

➤ **Strong Demographics:** The property benefits from being able to attract a client base with an average household income in excess of \$149,000 per year within a 3 Mile radius. There are over 22,000 households averaging a value over \$800,000 within a three mile radius of the Subject Property.

➤ **Value Add Opportunity with a Developable Pad:** In addition to the in-place income, there is a significant opportunity with plans in place to build a 23,000 square foot building or office over retail on a 0.36 acre developable pad located on the corner of the site.

➤ **Located in an underserved Retail Market with over 1,400 Residential Units Approved or Currently under Construction in Pleasanton:** This center is surrounded by various multifamily development sites in various stages of ground up development where having a Grocery-Anchored shopping center in an underserved retail market; Vintage Hills is well positioned to serve these new incoming residents from the developments in the surrounding area.



ASSESSOR'S MAP 946

2551

Scale: 1" = 100'

Code Area Nos. 19-000

TR. 6292 199/98 AMENDED 203/42
 TRACT 2802 (Bk. 55 Pg. 94)
 TRACT 3266 (Bk. 66 Pg. 71)
 TRACT 3573 (Bk. 82 Pg. 74)
 TRACT 3701 (Bk. 86 Pg. 95)
 P.M. 2418 (105/11)
 T.R. 5008 34/28
 P.M. 3045 116/29
 P.M. 2419 119/21

Drawn: 10-67 R.M. Revised: 3-26-80 RM
 1-2-81 DD 3-22-84ST
 6-13-81DD 6-13-84GSL
 1-1-82 FR 10-7-92 PB

2528

Formerly: Por. Blks. 1250, 2475

A.C.M. 48

Reference:

2548

2552

2552

2552

2552

2555

2555

2555

1250

2549

The map displays a detailed layout of land parcels. A large yellow-shaded area is located in the upper right quadrant, bounded by Bernal Avenue to the north and Concord Street to the east. This area is labeled with '5.09 AC. ±' and '90'. Surrounding this area are numerous smaller lots, many of which are numbered and labeled with names such as 'ST. MICHAEL CTR. (PVT.)', 'CONCORD PL. (PVT.)', and 'NORTON WAY'. The map also shows several streets, including Bernal Avenue, Vineyard Avenue, Concord Street, Norton Way, and Malbec Court. A north arrow is located in the upper right corner of the map.





SAN FRANCISCO PREMIUM OUTLETS



LAS POSITAS GOLF COURSE



LAS POSITAS RETAIL/HOSPITALITY



VINTAGE SQUARE SHOPPING CENTER

LIVERMORE MUNICIPAL AIRPORT

SHADOW CLIFFS LAKE



THE VINTAGE 345 LUXURY HOMES

STANLEY BOULEVARD

SHADOW CLIFFS REGIONAL RECREATION AREA

TAWNY PARK

VINTAGE HILLS SHOPPING CENTER

BERNAL AVENUE

DOWNTOWN PLEASANTON

PROPERTY DESCRIPTION

PROPERTY OVERVIEW

Vintage Hills Shopping Center is located at the corner of Bernal Avenue and Tawny Drive in Pleasanton, California. The ±55,366 square-foot neighborhood center is anchored by a 19,245-square-foot New Leaf Community Market. The offering includes four buildings containing 28,415 square feet of shop space and is 86% leased to a number of local/regional tenants. The property is home to New Leaf Community Market, Platinum Fitness, Genius Kids, Sugarie Bake Shop and Little Flowers Montessori. The center is situated in a mature, in-fill location and caters to an affluent clientele with average household incomes exceeding \$149,000 within a 3 mile radius.

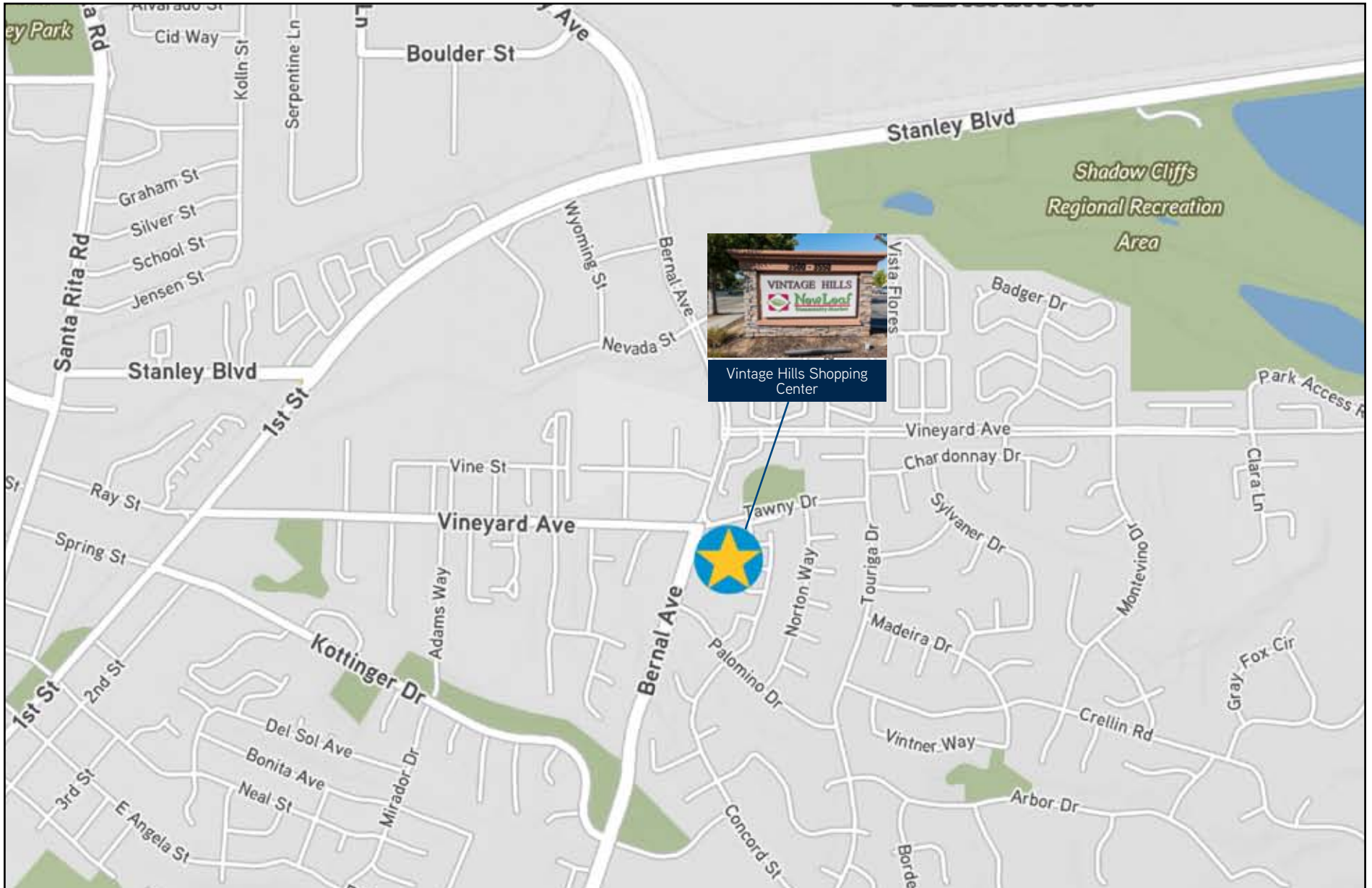
VINTAGE HILLS SHOPPING CENTER

Address	3500-3550 Bernal Ave Pleasanton, CA 94566
Offering Price	\$16,500,000
Parcel Number	946-2551-90
Year Built	1979/2007
Square Feet	±55,366
Lot Size	5.09 acres
Occupancy	80%
Parking Spaces	289 6.74 Per:1,000 sq. ft.
Developable Land	±0.36 acres (23,000 sq. ft.)
No. of Buildings	Four

Notable Tenants:



LOCATION MAP

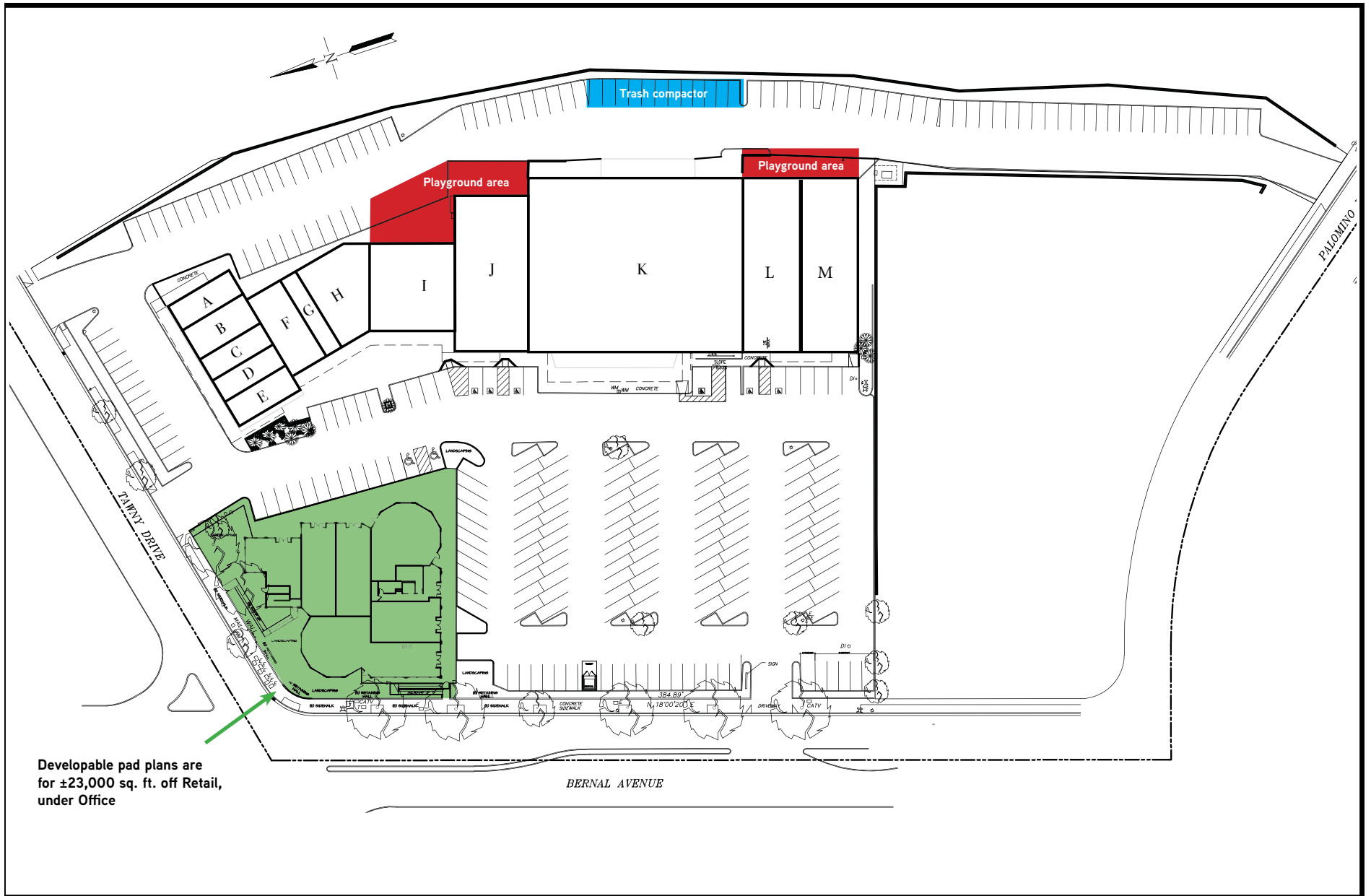


VINTAGE HILLS SHOPPING CENTER SITE PLAN

VINTAGE HILLS SHOPPING CENTER

#	Tenant	Unit	Square Feet
A	Cutt Company	165	1,050
B	Vintage Hills Cleaners	160	1,400 + 1,500 Mezz.
C	Sugarie Bake Shop	155	800
D	Nirvana Day Spa	150	800
E	Blush Frozen Yogurt	145	1,025
F	Vacant	140	1,801
G	Gold-N-Time	135	540
H	Wayne's Kitchen	130	1,750
I	Little Flowers Montessori	115,120,125	4,000
J	Platinum Fitness	110	5,600
K	New Leaf Community Market	105	19,245
L	Vacant	100A	5,052 + 1,648 Mezz
M	Genius Kids	100B	4,800
	Common Area		4,355
TOTAL			51,011





Developable pad plans are
for ±23,000 sq. ft. off Retail,
under Office

LOCATION OVERVIEW

PLEASANTON, CA



Location

Pleasanton is a suburb in the San Francisco Bay Area county of Alameda, located about 25 miles east of Oakland and 6 miles west of Livermore. It was ranked as one of the wealthiest middle-sized cities in the United States, and was rated Number 4 by *USA Today* in “America’s 50 best cities in which to live” in 2014.

Pleasanton is located within a triangle-shaped region of the San Francisco Bay Area known as the Tri-Valley. The area is 18 miles southeast of Oakland and 33 miles from San Francisco and encompasses the cities of Pleasanton, Livermore, Dublin, San Ramon and Danville. The region is well known for its Mediterranean climate, wine region, historic downtown areas, and fine dining.



Transportation

Two major highways, Interstates 580 and 680, cross the Tri-Valley area. Interstate 580 runs east-west, connecting the area to the Central Valley to the east and the San Francisco Bay area to the west. Interstate 680 runs north-south, connecting the area to the San Francisco Bay Area in the south, and the Concord-Walnut Creek area to the north. The two interstates cross on the border of Dublin and Pleasanton.

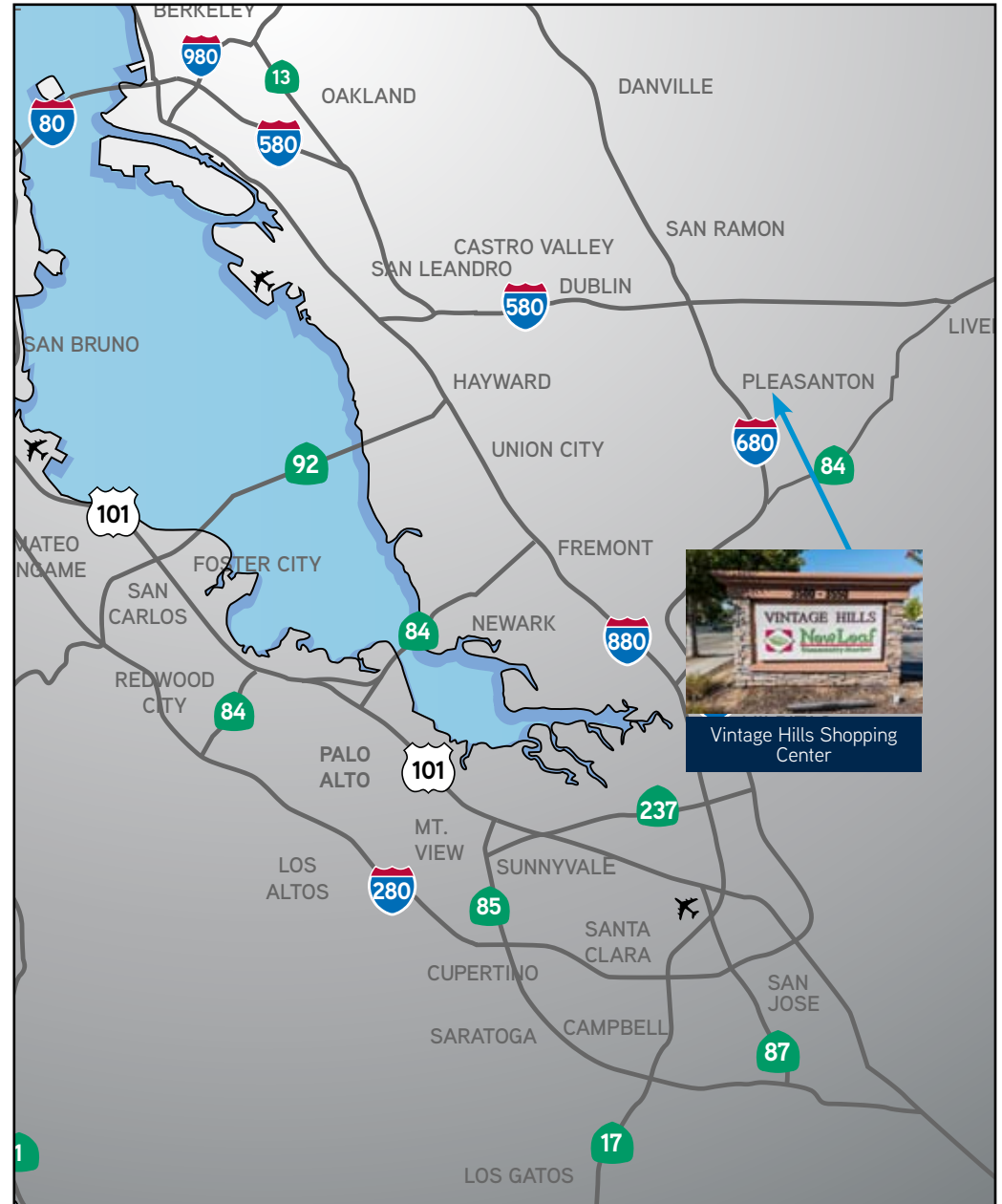
The Bay Area Rapid Transit (BART) system has two stations in Pleasanton along Interstate 580, and ACE Rail provides commuter service from Stockton to San Jose through Pleasanton in the morning and evening.

Demographics

POPULATION		1 Mile	3 Mile	5 Mile
	Total Daytime Population			
	2000 Population	10,890	53,854	113,123
	2010 Population	11,267	59,545	138,951
	2015 Population	12,192	67,223	161,379
	2020 Population	13,189	74,680	182,041
	% Population Change 2000 to 2010	3.5%	10.6%	22.8%
	% Population Change 2000 to 2015	12.0%	24.8%	42.7%
	% Population Change 2015 to 2020	17.1%	25.4%	31.0%

HOUSEHOLDS		1 Mile	3 Mile	5 Mile
	2000 Households	4,202	19,799	39,264
	2010 Households	4,274	21,409	48,280
	2015 Households	4,411	22,972	53,594
	2020 Households	4,563	24,417	58,000
	% Household Change 2010 to 2020	6.8%	14.1%	20.1%

INCOME		1 Mile	3 Mile	5 Mile
	\$35,000 to \$39,999	2.5%	2.2%	2.2%
	\$40,000 to \$44,999	2.7%	2.1%	2.3%
	\$45,000 to \$49,999	2.0%	1.9%	1.8%
	\$50,000 to \$59,999	6.6%	4.9%	4.8%
	\$60,000 to \$74,999	6.7%	7.2%	7.6%
	\$75,000 to \$99,999	12.5%	12.1%	12.3%
	\$100,000 to \$124,999	10.3%	11.3%	11.8%
	\$125,000 to \$149,999	10.4%	9.2%	9.5%
	\$150,000 to \$199,999	11.1%	13.7%	14.6%
	\$200,000 or more	20.5%	22.1%	20.1%
	2015 Average Household Income	\$141,993	\$149,816	\$145,723
	2015 Median Household Income	\$105,454	\$113,742	\$112,572
	2015 Per Capita Income	\$52,351	\$51,612	\$50,258



PLEASANTON DEVELOPMENT PROJECTS



**The Vintage Center/Auf-DeMaur –
3150 Bernal Ave**

Carmel Partners is currently in the process of building 345 apartment units and a 38,781 square foot, four building retail center that is expected to begin operation in late 2016. This development includes a CVS and is located blocks away from the subject property.



**Kottinger Gardens –
240-258 Kottinger Dr**

MidPen Housing Corporation demolished an existing apartment community and has begun construction on a 185-unit senior apartment project on a 6.43 acre site located less than half a mile from the subject property.



**Irby Ranch/Sunflower Hill –
3988 First St & 3780 Stanley Blvd**

93 single family homes and a 20 unit affordable residential community for individuals with special needs was approved in August and should begin construction next year.



**Township Square/Pleasanton Gateway –
1600 Valley Ave**

210 apartment units, 97 single-family detached units have been approved and are in the process of being built. The first homes are expected to open Fall of 2016.



MARKET OVERVIEW

PLEASANTON MARKET HIGHLIGHTS



PLEASANTON MARKET OVERVIEW

Pleasanton represents the I-680 Corridor's largest submarket. Bound by Dublin to the North, coastal foothills to the West, Sunol to the South and Livermore to the East, Pleasanton is considered one of the San Francisco Bay Area's premier addresses. Pleasanton offers tenants and their employees an unmatched quality of life with extensive access to recreational open space, a rich amenity base, moderate climate, and immediate access to a relatively affordable and recently constructed housing inventory. This favorable environment has helped Pleasanton attract an impressive number of top tier regional and global businesses.



CONTINUED ECONOMIC EXPANSION

Driven by the growth emanating from the region's technology industry, the Bay Area continues to experience strong employment growth across a multitude of sectors. This continued expansion has led to the addition of over 121,000 jobs in the San Francisco / East Bay metropolitan area and helped push unemployment in Alameda County down to just 4.5%. Spurred by this sustained growth, leasing velocity throughout the Bay Area has rapidly increased, further strengthening the region's underlying fundamentals and solidifying its position as the nation's top investment market.



HIGH PROFILE HEADQUARTERS LOCATION

Attracted to the region's exceptional quality of life, abundant housing options, and supply of high quality office space, the I-680 Corridor plays home to one of the most high profile tenant concentrations in the East Bay. Having long established itself as a preferred location for large corporate users, notable companies have established either a corporate headquarters or major presence in the I-680 Corridor.



EXCEPTIONAL REGIONAL STABILITY

Anchored by the region's impressive concentration of large corporate users, the I-680 office market has historically exhibited some of the most stable fundamentals of any market within the San Francisco Bay Area. Indeed, over the past 17 years, the I-680 Corridor has displayed less than half the rental rate volatility of the San Francisco CBD.



ACCELERATING RENTAL RATE GROWTH

Average asking rates for office space within the I-680 Corridor have increased nearly 15% since the beginning of 2013. With the rental spread between San Francisco and the I-680 Corridor now at 51% versus a historical average of 31%, the increase in rents seen throughout the I-680 Corridor is expected to continue as decreasing vacancies and demand generated by users seeking a more economically efficient alternative to San Francisco combine to drive continued rent growth in the market.

MAJOR PLEASANTON EMPLOYERS

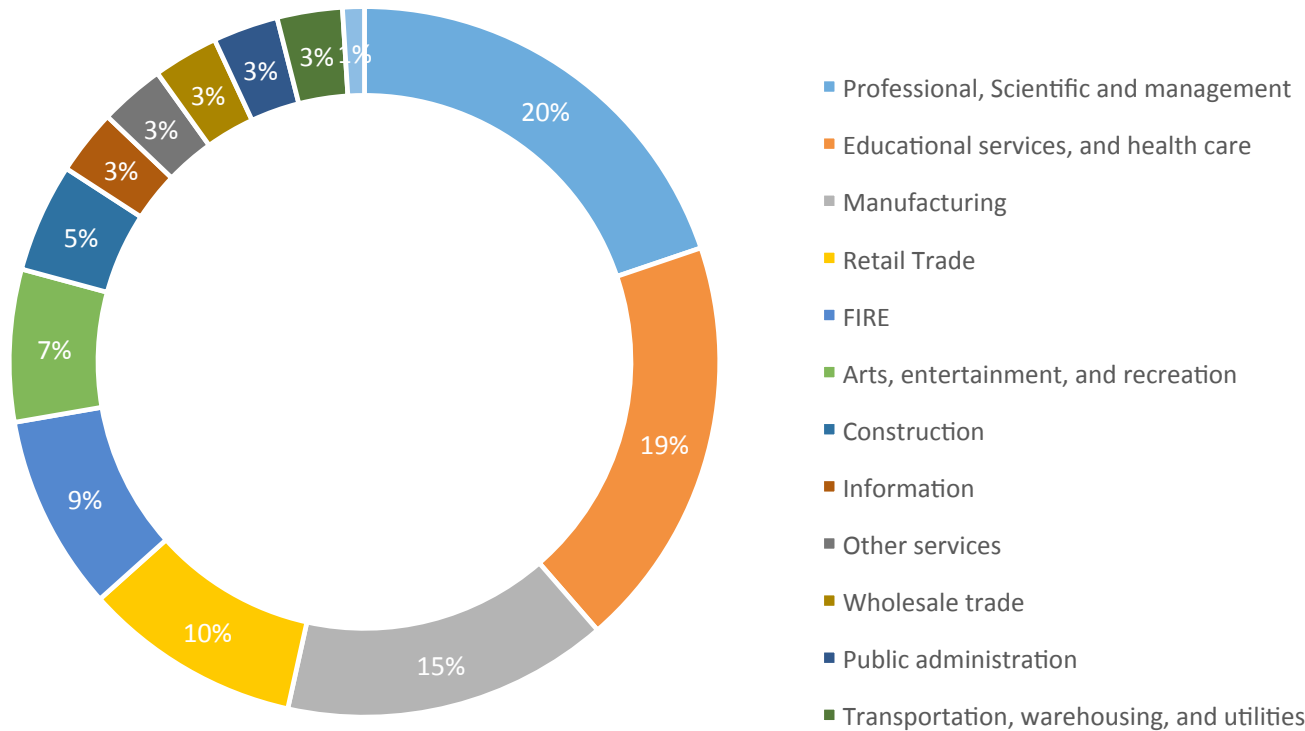


Favorable Local Demographics Driven by a Diverse Economy

Pleasanton’s diverse employer base provides for a stable local economy and includes a beneficial concentration of professional services, manufacturing, education, and healthcare companies.

The United States Bureau of Labor Statistics projects the professional services and healthcare fields to be two of the most rapidly growing industry sectors through 2022, thus providing the local economy with significant growth potential. This combined with the region’s superb quality of life and excellent housing stock will continue to support Pleasanton’s exceptional demographics, which are some of the most favorable in the San Francisco Bay Area.

LOCAL EMPLOYMENT BY INDUSTRY SECTOR





PLEASANTON SHOPPING CENTERS

Center Name	City	Anchor/Credit Tenants
Pleasanton Square Shopping Center	Pleasanton	Smart & Final, Home Depot, BEVMO!, La-Z-Boy, Sherwin Williams, Sprint
Pleasanton Plaza	Pleasanton	Tractor Supply Co, OfficeMax, Bealls, World Market Cost Plus, JC Penney, Taco Bell
Vintage Hills Shopping Center	Pleasanton	New Leaf Market, Platinum Fitness, Vintage Hill Cleaners, Blush Frozen Yogurt
Pleasanton Gateway	Pleasanton	Safeway, Wells Fargo, UPS Store, AT&T, Habit Burger, Jamba Juice
Genes Fine Foods	Pleasanton	Rite-Aid, Gene's Fine Foods
Val Vista Shopping Center	Pleasanton	Lucky, Vista Bottle Shop, Val Vista Shopping Center, Chicago's Deli
Trador Joes Plaza	Pleasanton	Trader Joe's, The UPS Store, Pleasanton Family Dental, Bawarchi
Amador Center	Pleasanton	Safeway, Pet Food Express, Einstein Bros Bagels, Jamba Juice, Noah's Bagels
Raleys	Pleasanton	Raley's, Raley's Pharmacy
Rose Pavillion	Pleasanton	Macy's 99 Ranch Market, CVS, Dollar Tree, Taco Bell, Autozone
Vintage Retail Center	Pleasanton	Under construction, CVS
		Totals and Averages
		Total Vacancy

	SF	% Leased	2016 Avail SF	YOY Change in Avail SF	Asking Rent	Estimated NNN
	242,010	96%	9,265.00	35.4%	\$2.50	\$1.00
	233,466	100%	-	35.4%	\$2.50	\$0.53
	55,366	80%	10,000.00	-6.8%	\$2.50	\$0.41
	126,963	99%	998.00	-6.9%	\$2.00	\$1.40
	20,416	94%	1,264.00	-6.9%	\$3.50	\$0.50
	56,000	100%	-	35.4%	\$3.00	\$0.85
	14,243	100%	-	0.0%	\$2.50	\$0.60
	117,827	100%	-	0.0%	\$2.75	\$0.55
	60,000	100%	-	0.0%	\$2.75	\$0.65
	293,359	79%	61,835.00	6.8%	\$2.50	\$0.56
	35,000	100%	-	-9.5%	\$2.45	\$0.55
	1,246,944	96%	\$80,012.00	7.5%	\$2.63	\$0.70
	6.42%					

I-680 Shopping Center Submarket Statistics

Mid-Year 2016

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under Const.	Quoted
	# of Centers	Total GLA	Direct SF	Total SF	Vac %	Absorption	Deliveries	SF	Rates
Bishop Ranch	1	309,728	8,135	8,135	2.6%	(6,761)	0	0	\$12.72
Danville/Alamo	22	1,201,752	43,306	43,306	3.6%	(9,960)	0	0	\$40.61
Dublin	32	1,933,334	103,140	103,140	5.3%	(9,684)	0	0	\$22.55
Hacienda Business Pa.	5	165,152	15,586	15,586	9.4%	7,398	0	0	\$40.80
Pleasanton-North	3	461,010	9,265	9,265	2/0%	(2,265)	0	0	\$45.00
Pleasanton-South	16	797,608	37,594	37,594	4.7%	(8,354)	0	35,000	\$29.81
TOTALS	79	4,868,584	217,026	217,026	4.6%	(29,626)	71,438	35,000	\$31.92

Source: CoStar Property® - East Bay/Oakland Mid-Year 2016







FINANCIAL OVERVIEW

Vintage Hills Shopping Center is being offered on an “as-is” basis. All investors should base their offer under the current conditions present at the Property.

Investment Summary

Offering Price:	\$16,500,000
Year 1 NOI:	\$947,832
In Place NOI:	\$784,862
Occupancy:	80%
Type of Ownership:	Fee Simple Interest

The following information is provided herein to assist investors in their initial underwriting of Vintage Hills Shopping Center.

Property Cash Flow

Rent Roll



GENERAL ASSUMPTIONS

Property Name:	3500-3550 Bernal Avenue
Scenario:	Base Case

Valuation Assumptions	
Terminal Cap Rate:	6.25%
Cap Rate Increment:	0.25%
Discount Rate:	8.40%
Discount Rate Increment:	0.25%
Selling Cost:	2.00%
Adjust Sale For Capital Items:	No
NOI Used for Initial Yield:	In-Place
Hold Period:	10 Years
Monthly IRR:	No
Purchase Price:	\$16,500,000
Closing Costs:	

Export Summary	
Building ID:	3550 Bernal Avenue
Analysis Start:	1/1/2017
Report Date:	1/1/2017
Report Term:	10 Years

Purchase Summary		\$/SF
Purchase Date:	1/1/2017	
NRA at Purchase:	47,660	
Y1 NOI:	\$947,832	\$19.89
Y1 Capital:	\$209,199	\$4.39
In-Place NOI:	\$784,862	\$16.47
Pricing NOI:	\$784,862	\$16.47
Purchase Price:	\$16,500,000	\$346.20
Going-In Cap:	4.76%	
Closing Costs:	\$0	0.00

Sale Summary		\$/SF
Sale Date:	12/31/2026	
NRA at Sale:	47,660	
Sale Price:	\$22,709,584	\$476.49
Sale Proceeds:	\$22,255,392	\$466.96
Sale Year NOI:	\$1,419,349	\$29.78
Sale Year Capital:	\$202,440	\$4.25
Unleveraged IRR:	8.41%	

\$/SF Values	
Display Year:	Year 1
NRA:	47,660

Leveraged Return Summary	
Loan Amount:	\$10,000,000
LTV (Initial DCF Valuation):	58.8%
Additional Funded Cap:	\$0
Interest Rate:	4.00%
Fixed or Floating:	Fixed
Loan Term:	10 Yrs
Funding Month:	Month 1
Amort Term:	300 Months
I/O Period:	N/A
Refinance:	
Loan Fee:	1.0%
Prepayment Penalty:	0.0%

DEBT QUOTE

Fixed Rate	CMBS	
Term	LTV	Interest Rates
5 Yr	up to 55%	3.75%-4.0%
	60%	4.04%-4.24%
Interest Only	Available	
Prepayment	Defeasance	

PROPERTY CASH FLOW

For the Years Ending	Year 1 Dec-2017	Year 2 Dec-2018	Year 3 Dec-2019	Year 4 Dec-2020	Year 5 Dec-2021	Year 6 Dec-2022	Year 7 Dec-2023	Year 8 Dec-2024	Year 9 Dec-2025	Year 10 Dec-2026
Potential Gross Revenue										
Base Rental Revenue	\$1,068,124	\$1,097,272	\$1,120,078	\$1,159,516	\$1,214,156	\$1,255,740	\$1,313,586	\$1,366,524	\$1,419,707	\$1,464,687
Absorption & Turnover Vacancy	(69,250)	(13,648)	(12,147)	(36,196)		(61,731)	(67,001)	(20,539)	(81,231)	
Scheduled Base Rental Revenue	998,874	1,083,624	1,107,931	1,123,320	1,214,156	1,194,009	1,246,585	1,345,985	1,338,476	1,464,687
Expense Reimbursement Revenue										
Fire Alarm	1,892	2,029	2,091	2,121	2,238	2,221	2,200	2,416	2,405	2,594
Fire Alarm Monitoring	1,007	1,078	1,114	1,127	1,191	1,182	1,170	1,286	1,278	1,381
Gas & Electric	4,200	4,506	4,647	4,712	4,966	4,926	4,887	5,366	5,339	5,759
Insurance	7,332	7,863	8,108	8,225	8,675	8,601	8,531	9,367	9,324	10,055
Landscaping	8,325	8,929	9,211	9,337	9,849	9,764	9,687	10,637	10,586	11,417
Management	34,945	38,229	39,098	39,651	42,562	41,946	42,423	48,147	47,557	52,120
Refuse Collection	17,810	19,101	19,697	19,981	21,069	20,891	20,723	22,750	22,647	24,424
Repair & Maintenance	7,294	7,821	8,066	8,184	8,629	8,554	8,486	9,316	9,276	9,999
Real Estate Taxes	98,270	107,405	109,785	109,097	115,777	110,716	153,318	203,672	200,773	214,404
Water & Sewer	7,875	8,445	8,709	8,832	9,314	9,235	9,161	10,059	10,015	10,797
Water/Sewer Irrigation	1,550	1,661	1,714	1,739	1,833	1,817	1,801	1,981	1,971	2,125
Current RE Taxes	34,792	35,487	36,197	36,921	37,660	38,413	16,325			
Total Reimbursement Revenue	225,292	242,554	248,437	249,927	263,763	258,266	278,712	324,997	321,171	345,075
Total Potential Gross Revenue	1,224,166	1,326,178	1,356,368	1,373,247	1,477,919	1,452,275	1,525,297	1,670,982	1,659,647	1,809,762
General Vacancy		(39,945)	(42,594)	(20,182)	(59,117)			(47,122)		(72,390)
Effective Gross Revenue	1,224,166	1,286,233	1,313,774	1,353,065	1,418,802	1,452,275	1,525,297	1,623,860	1,659,647	1,737,372
Operating Expenses										
Fire Alarm	1,988	2,048	2,109	2,172	2,238	2,305	2,374	2,445	2,518	2,594
Fire Alarm Monitoring	1,058	1,090	1,122	1,156	1,191	1,227	1,263	1,301	1,340	1,381
Gas & Electric	4,414	4,546	4,683	4,823	4,968	5,117	5,270	5,428	5,591	5,759
Insurance	7,706	7,937	8,175	8,421	8,673	8,933	9,201	9,477	9,762	10,055
Landscaping	8,750	9,013	9,283	9,562	9,848	10,144	10,448	10,762	11,085	11,417
Management	36,725	38,587	39,413	40,592	42,564	43,568	45,759	48,716	49,789	52,121
Refuse Collection	18,718	19,279	19,858	20,453	21,067	21,699	22,350	23,020	23,711	24,422
Repair & Maintenance	7,665	7,895	8,132	8,376	8,627	8,886	9,152	9,427	9,710	10,001
Real Estate Taxes	179,405	182,993	186,652	190,385	194,193	198,077	202,039	206,079	210,201	214,405
Water & Sewer	8,276	8,524	8,780	9,043	9,315	9,594	9,882	10,178	10,484	10,798
Water/Sewer Irrigation	1,629	1,677	1,728	1,780	1,833	1,888	1,945	2,003	2,063	2,125
Total Operating Expenses	276,334	283,589	289,935	296,763	304,517	311,438	319,683	328,836	336,254	345,078
Net Operating Income	947,832	1,002,644	1,023,839	1,056,302	1,114,285	1,140,837	1,205,614	1,295,024	1,323,393	1,392,294
Debt Service										
Interest Payments	395,673	385,987	375,907	365,417	354,498	343,135	331,309	319,001	306,192	292,861
Principal Payments	237,731	247,417	257,497	267,988	278,906	290,269	302,095	314,403	327,212	340,543
Origination Points & Fees	100,000									
Total Debt Service	733,404	633,404	633,404	633,405	633,404	633,404	633,404	633,404	633,404	633,404
Leasing & Capital Costs										
Tenant Improvements	138,500	12,360	26,576	54,295		92,597	244,123	30,808	108,546	13,700
Leasing Commissions	63,550	9,844	21,164	43,239		73,742	80,036	24,535	86,442	10,910
Capital Reserves	7,149	7,363	7,584	7,812	8,046	8,288	8,536	8,792	9,056	9,328
Total Leasing & Capital Costs	209,199	29,567	55,324	105,346	8,046	174,627	332,695	64,135	204,044	33,938
Cash Flow After Debt Service But Before Taxes	\$5,229	\$339,673	\$335,111	\$317,551	\$472,835	\$332,806	\$239,515	\$597,485	\$485,945	\$724,952

RENT ROLL

SUITE	TENANT	SF	COM. DATE	EXPIRATION DATE	MO. BASE RENT	(\$/SF/MO)	ANNUAL BASE RENT
100A	Vacant	5,052					
100A MEZ	Vacant	1,648					
100B	Genius Kids	4,800	7/1/15	6/30/20	\$9,600.00	\$2.00	\$115,200
				7/1/17-7/1/2020	\$10,080.00		
				7/1/2020-2022	\$10,560.00		
				7/1/2021-2025	\$11,520.00		
105	New Leaf	19,245	5/15/13	5/15/23	\$21,500.00	\$1.12	\$258,000
				5/15/18-5/5/15/23	\$23,650.00		
110	Anytime Fitness	5,600	8/5/10	8/5/20	\$10,080.00	\$1.80	\$120,960
				8/5/17-8/5/19	\$10,640.00		
				8/5/19/8/5/20	\$11,200.00		
115, 120, 125	Little Flowers Montessori	4,000	1/14/12	1/13/22	\$8,615.13	\$2.15	\$103,382
				1/14/2017-1/13/18	\$9,051.27		
				1/14/18-1/13/19	\$9,277.55		
				1/14/19-1/13/20	\$9,509.49		
				1/14/20-1/14/21	\$9,747.22		
				1/14/21-1/13/22	\$9,990.90		
130	Wayne's Kitchen	1,750	2/1/08	1/31/19	\$4,550.00	\$2.60	\$54,600
				2/1/2017-1/31/18	\$4,637.50		
135	Gold-N-Time	540	1/1/09	12/31/18	\$1,377.00	\$2.55	\$16,524
					Market bumps-In option		
140	Vacant	1,801					
145	Blush Organic Frozen Yogurt	1,025	4/1/15	3/31/20	\$2,745.00	\$2.68	\$32,940
				4/2/2017-4/1/18	\$2,827.00		
				4/2/18-4/1/19	\$2,912.00		
				4/2/19-4/1/20	\$2,999.00		
150	Nirvana Day Spa	800	4/1/08	3/31/18	\$2,080.00	\$2.60	\$24,960
					Market bumps-In option		
155	Sugarie Bake Shop	800	8/1/13	7/31/18	\$2,200.00	\$2.75	\$26,400
					No bumps until end of lease		
160	Vintage Hill Cleaners	1,400	11/1/15	10/31/20	\$5,761.00	\$4.12	\$69,132
160 MEZ	Vacant	1,500		11/1/20(Option)	\$5,934.00		
165	Cutt Company	1,050	11/1/08	10/31/13	\$2,670.79	\$2.54	\$32,049
Common Area		4,355			Market bumps-In option		
		55,366			\$71,178.92		\$854,147

ANNUAL BASE RENT (\$/SF)	LEASE TYPE	BLDG PRO RATA %	OPTIONS	CAM REIM.	CURRENT AVG MO CAM	PROFORMA CAM (20% INCREASE)
		9.90%	None			
		3.23%				
\$24.00	NNN	9.41%	2 5yr	\$12,640.13	\$1,053.34	\$1,264.01
\$13.41	NNN	37.73%	4 5 yr options%	\$71,949.20	\$5,995.77	\$7,194.92
\$21.60	NNN	10.98%	1 5 yr	\$22,431.55	\$1,869.30	\$2,243.16
\$25.85	NNN	7.84%	2 5 yr	\$14,954.37	\$1,246.20	\$1,495.44
\$31.20	NNN	3.43%	2 5 Yr	\$6,542.54	\$545.21	\$654.25
\$30.60	NNN	1.06%	1 5 yr	\$2,018.84	\$168.24	\$201.88
		3.53%	None			
\$32.14	NNN	2.01%	1 5 yr	\$3,832.00	\$319.33	\$383.20
\$31.20	NNN	1.57%	1 5yr	\$2,990.00	\$249.17	\$299.00
\$33.00	NNN	1.57%	1 5yr	\$2,990.00	\$249.17	\$299.00
\$49.38	NNN	2.74%	1 5yr	\$5,234.03	\$436.17	\$523.40
		2.94%				
\$30.52	NNN	2.06%	1 5yr	\$3,900.00	\$325.00	\$390.00
		100%		\$149,482.66		\$179,379.19

VINTAGE HILLS SHOPPING CENTER

Leased SF	41,010	80.39%
Available SF	10,001	19.61%
Usable SF	51,011	100%
Usable SF	51,011	92.13%
Common Area	4,355	7.87%
Rentable SF	55,366	100%

TENANT PROFILES

TENANT:	New Leaf Community Market
Ownership:	Private
Industry:	Natural Food Retailer
Employees:	800
Locations:	8
Credit Rating:	NR
Website:	www.newleaf.com



New Leaf Community Markets

New Leaf Community Markets has been a purveyor of goodness since 1985. Founded in 1985, the stores' mission, to nourish and sustain their community, is reflected in the 10% of profits given annually to support local non-profits working to improve the quality of life.

In 2013, New Leaf Community Markets, a like-minded natural grocer, joined New Seasons Market as a wholly owned subsidiary. Currently, Eight New Leaf stores operate in California's Central Coast and East Bay region under this partnership. Founded in 2000, New Seasons Market is a leader in the grocery industry. It is the first grocer in the world to become a Certified B Corporation, which recognizes businesses that place as much value on taking care of their staff, the community and the environment as they do on growing and operating their business. With 3,000+ employees, the independently owned grocer operates 19 stores in the Portland-Vancouver area and is one of the Portland area's largest private employers.

New Seasons had grown slowly but steadily since its founding in 2000. But that growth accelerated after Portland venture capital firm Endeavour Capital took a majority stake in the company in 2009.

TENANT:	Little Flowers Montessori
Ownership:	Private
Industry:	Education
Employees:	N/A
Locations:	8
Credit Rating:	NR
Website:	www.littleflowersmontessori.com



Little Flowers Montessori

The classroom environment at Little Flowers Montessori is carefully designed to encourage children to grow through interaction and individuality, as children learn through hands-on experience with lessons along the way.

The classrooms are designed with areas of practical life, sensorial, math, language, cultural and manipulative materials. The materials in each of these curriculum areas reinforce the underlying objectives of concentration, order, coordination and independence. The school programs focus on every aspect of a child's growth, and are tailored to each child's cognitive, emotional, social and physical development.

Programs are offered for toddlers (18 months) up to kindergarten. The diverse staff consists of AML and AMS Teachers and preschool Teachers.

TENANT:	Sugarie Bake Shop
Ownership:	Private
Industry:	Bakery
Employees:	N/A
Locations:	1
Credit Rating:	NR
Website:	www.sugariebakeshop.com



Sugarie Bake Shop

Sugarie's humble beginnings started in downtown Pleasanton, California when baker Natalie walked her basket of French Macarons door-to-door. In 2013 she opened Sugarie Bake Shop in Vintage Hills Shopping Center. In addition to offering French Macarons, baked and savory bites at this location, she now serves over 18 caterers and hotels in the Bay Area.

TENANT:	Platinum Fitness
Ownership:	Private
Industry:	Fitness Center
Employees:	N/A
Locations:	3
Credit Rating:	NR
Website:	www.myplatinumfit.com



Platinum Fitness

The core belief of Platinum Fitness is that the fitness club experience should be affordable, convenient and friendly to all lifestyles. They provide all members 24/7 access to a state-of-the-art cardio room, personal training, a fitness phone app, strength programs, 60 different pieces of equipment, free weights and a wealth of other features.

In 2015, Platinum Fitness was awarded Gym of the Year.

TENANT PROFILES

TENANT:	Genius Kids
Ownership:	Private
Industry:	Education
Employees:	N/A
Locations:	28
Credit Rating:	NR
Website:	www.geniuskidsonline.com



Genius Kids

Founded August 1, 2001, Genius Kids opened its first classroom in the Ardenwood Campus in Fremont, California with only 2 students under the guidance, passion & vision of the founder Rennu Dhillon. A pharmacist by education, with a Doctorate in Natural Sciences, and numerous specializations in Pubic Speaking, Etiquette, Grooming & Learning Disabilities, Dhillon has spent several years training adults, marketing & recruiting. She was astounded at the lack of confidence & communication skills in candidates she would send for interviews, and began to develop her own advanced learning programs, incorporating speech & public speaking into every aspect of learning. Early readers as young as 2 years 3 months old began to emerge, & soon Genius Kids students were winning competitions locally & nationally, along with being recognized for their well-rounded personalities. Word spread quickly and today (2016) Genius Kids boasts 28 campuses and growing. In 2011, Genius Kids became a national and global franchise known which offers viable solutions to entrepreneurs seeking to venture into their own educational business models. Genius Kids centers offer the same curriculum consistent with what has been developed by Ms. Rennu through an online portal.



Confidential Offering Memorandum & Disclaimer

This Confidential Offering Memorandum ("Memorandum") has been prepared and presented to the recipient (the "Recipient") by Colliers International ("Colliers") as part of Colliers' efforts to market for sale the real property located at 3500-3550 Bernal Avenue, Pleasanton, California (the "Property"). Colliers is the exclusive agent and broker for the owner(s) of the Property (the "Owner"). Colliers is providing this Memorandum and the material contained in it to the Recipient solely to assist the Recipient in determining whether the Recipient is interested in potentially purchasing all or part of the Property. Colliers also is providing this Memorandum and the material in it to the Recipient with the understanding that the Recipient will independently investigate those matters that it deems necessary and appropriate to evaluate the Property and that the Recipient will rely only on its own investigation, and not on Colliers, the Owner or this Memorandum, in determining whether to purchase the Property. The Recipient's use of this Memorandum and the material in it is strictly governed by the terms and conditions of the Registration and Confidentiality Agreement that the Recipient previously executed and delivered to Colliers.

PLEASE NOTE THE FOLLOWING:

Colliers, the Owner and their respective agents, employees, representatives, property managers, officers, directors, shareholders, members, managers, partners, joint venturers, corporate parents or controlling entities, subsidiaries, affiliates, assigns and predecessors and successors-in-interest make no representations or warranties about the accuracy, correctness or completeness of the information contained in this Memorandum. The Recipient is urged not to rely on the information contained in this Memorandum and to make an independent investigation of all matters relating to the Property.

This Memorandum includes statements and estimates provided by or to Colliers and/or the Owner regarding the Property. Those statements and estimates may or may not be accurate, correct or complete. Nothing contained in this Memorandum should be construed as a representation or warranty about the accuracy, correctness or completeness of such statements and estimates. Further, nothing contained in this Memorandum should be construed as a representation or warranty about any aspect of the Property, including, without limitation, the Property's (1) past, current or future performance, income, uses or occupancy, (2) past, current or prospective tenants, (3) physical condition, (4) compliance or non-compliance with any permit, license, law, regulation, rule, guideline or ordinance, or (5) appropriateness for any particular purpose, investment, use or occupancy. Again, the Recipient is urged not to rely on this Memorandum and the statements and estimates in it and to make an independent investigation regarding the Property and the statements and estimates contained herein.

This Memorandum may include statements regarding, references to, or summaries of, the nature, scope or content of contracts and/or other documents relating to the Property. Those statements, references or summaries may or may not be accurate, correct or complete. Additionally, Colliers may not have referenced or included summaries of each and every contract and/or other document that the Recipient might determine is relevant to its evaluation of the Property. Nothing contained in this Memorandum should be construed as a representation or warranty about the accuracy, correctness or completeness of such statements, representations or summaries. On request and as available, and subject to the Owner's consent, Colliers will provide the Recipient with copies of all referenced contracts and other documents. Colliers assumes no obligation to supplement or modify the information contained in this Memorandum to reflect events or conditions occurring on or after the date of its preparation of this Memorandum.

This Memorandum does not constitute an offer to sell, or a solicitation of an offer to buy, an interest in the Property. Nothing contained in this Memorandum may be construed to constitute legal or tax advice to a Recipient concerning the Property. More detailed information regarding the anticipated terms, conditions and timing of any offering by the Owner relating to the Property will be provided in due course by separate communication. Colliers and/or the Owner reserve the right to engage at any time in discussions or negotiations with one or more recipients of this Memorandum and/or other prospective purchasers of the Property without notice or other obligation to the Recipient. The Owner reserves the right to change the terms of any offering relating to the Property or to terminate without notice that offering. The Owner also reserves the right to operate the Property in its sole and absolute discretion prior to the completion of any sale of the Property. Colliers reserves the right to require the return of this Memorandum and the material in it any other material provided by Colliers to the Recipient at any time. Acceptance of this Memorandum by the Recipient constitutes acceptance of the terms and conditions outlined above.





Primary Contact:

BRYAN WEBB

Vice President

bryan.webb@colliers.com

Office: +1 415 288 7873

License # CA-01826546

Secondary Contact:

CHERIE HUILLADE

Senior Vice President

cherie.huillade@colliers.com

Office: +1 925 279 4622

License # CA-00918839

Local Market Leasing Expert:

STEPHEN RUSHER

Senior Vice President

stephen.rusher@colliers.com

Office: +1 415 293 6297

License # CA-01439740

