

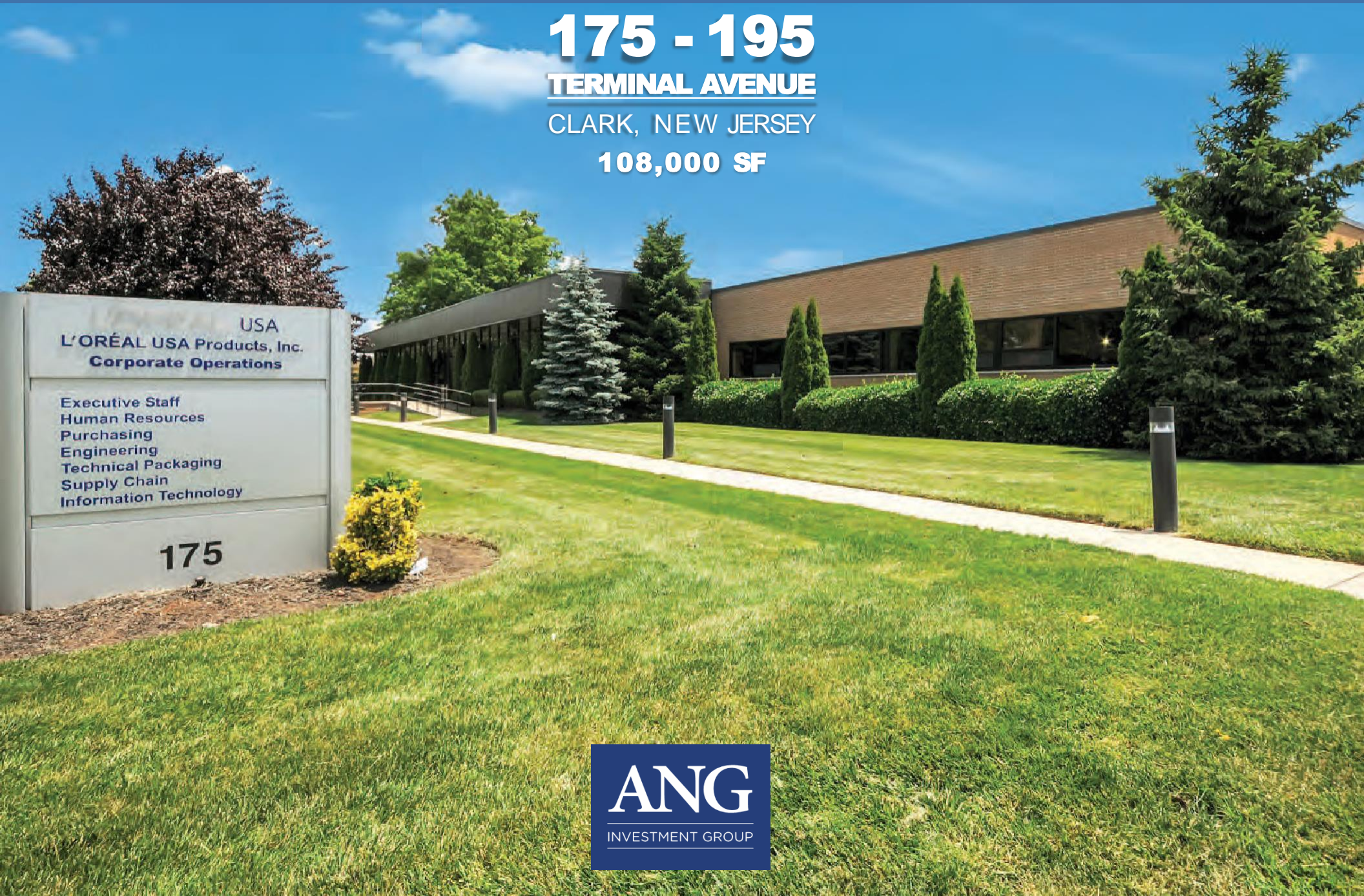
SINGLE-TENANT, 100% NET LEASED NEWLY RENOVATED FLEX/R&D ASSET

175 - 195

TERMINAL AVENUE

CLARK, NEW JERSEY

108,000 SF



USA
L'ORÉAL USA Products, Inc.
Corporate Operations

Executive Staff
Human Resources
Purchasing
Engineering
Technical Packaging
Supply Chain
Information Technology

175





175 - 195

TERMINAL AVENUE

CLARK, NEW JERSEY

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Exit 135



TARGET



Middlesex Reservoir

Clarkton Shopping Center

RARITAN RD

RARITAN RD

WESTFIELD AVE

ACME



KinderCare

L'OREAL

TERMINAL AVE

OLD RARITAN RD

Retro Fitness

RAHWAY AVE

175 - 195

TERMINAL AVENUE

CLARK, NEW JERSEY

1 BUILDING



7.61 TOTAL
ACREAGE



100% NNN LEASED



1 INVESTMENT-GRADE TENANT

L'ORÉAL



I. EXECUTIVE SUMMARY

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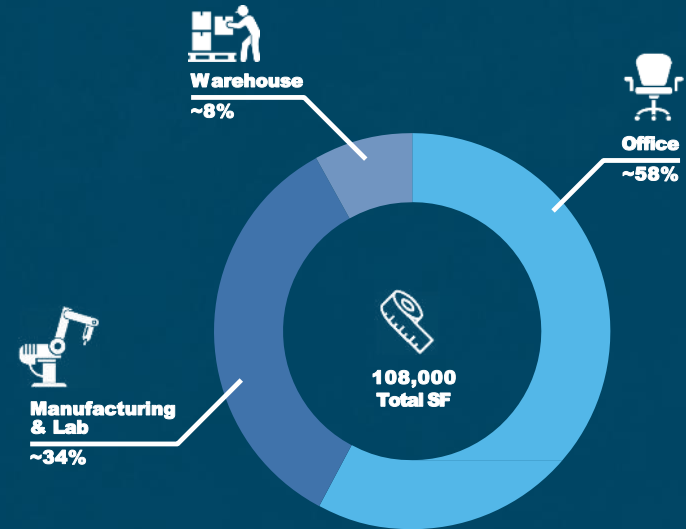
TERMINAL AVENUE

CLARK, NEW JERSEY

This high-quality, newly renovated, 108,000 square foot, asset is 100% NNN leased to L'Oreal USA Products (S&P: A-1+) through March 2028. The lease provides the tenant with five (5) five (5) year renewal options extending the term through March 2053.

Located directly off of Exit 135 of the Garden State Parkway, within the best regional submarket for high technology and R&D, the property serves as L'Oreal's North American R&D facility since 1992. It is one of six L'Oreal worldwide R&D centers and the only one in the U.S.

In addition to the adjacent Retro Fitness, the location offers exceptional amenities. Exit 135 is a sought-after retail hub with over 800,000 SF of local and national retailers. A new Whole Foods, Target and ShopRite are within a mile of the Property.



175-195 Terminal Avenue Investment Highlights

STANDARD
& POOR'S
S&P: A-1+

- **100% NNN Leased to L'Oreal (S&P: A-1+)** through 3/28 with 5, 5-yr, renewal options providing long-term predictable income stream with consistent revenue growth secured by the contractual rental rate increases

NNN
LEASE

- **NNN lease** with Landlord having no responsibility for roof replacement or structural repairs



- **Strategic to L'Oreal's R&D operations** since 1992 in which substantial capital was invested for interior improvements. One of six L'Oreal worldwide R&D centers and the only one in the U.S.



- **L'Oreal's strong commitment to the asset** is evidenced by the tenant's long term occupancy, recent 2017 extension, and substantial interior renovations just completed



- **Capital work completed** inclusive of new roof **with 20-year warranty**, parking and site improvements extends the useful life and enhances the asset's competitive position



- **108,000 SF Flex/ R&D asset within Union Central's submarket featuring limited supply of Flex/ R&D product** with high occupancy (>95%) presenting minimal competition upon rollover



- **Strategic Location with Superior Highway Access** within the strongest regional submarket for high technology and R&D ensuring the long-term value of the property.



- **Compelling Market Trends** with underlying fundamentals in the submarket that have never been more favorable with an extreme shortage of R&D space.

Timeline

~10.0
yrs

Remaining Current Term

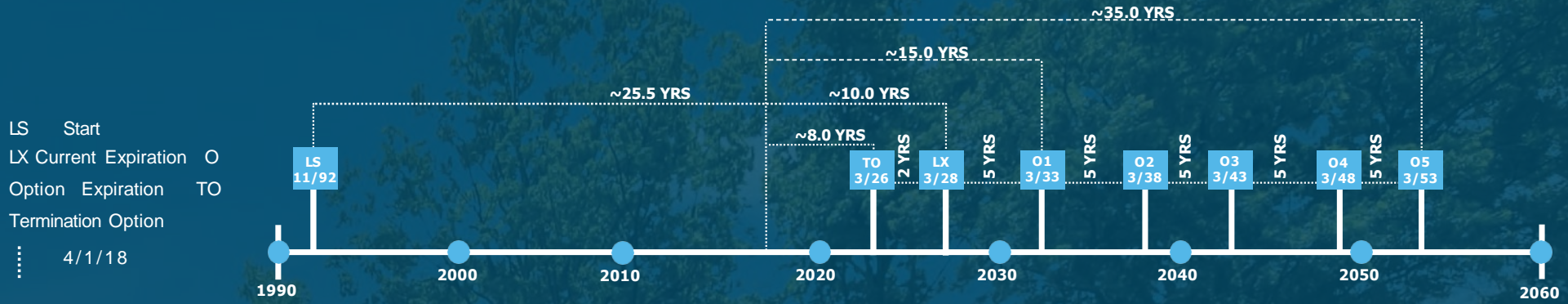
~35.0
yrs

Remaining Current Term Plus Options

~25.5
yrs

Time in building









175-195 Terminal Avenue

Tenant Profile

L'Oréal is the world's largest cosmetics company and has developed activities in the field of cosmetics, concentrating on hair color, skin care, sun protection, make-up, perfume and hair care. The company is active in dermatology, toxicology, tissue engineering, and biopharmaceutical research fields and is the top nanotechnology patent-holder in the United States. The company's Clark, NJ locations make up 1 of their 6 worldwide research and development centers and their single R&D facility in the US. With over 4,000 employees worldwide, the research division of L'Oreal provides all consumers with products adapted to their needs by drawing on the latest technologies.

The group achieved a significant growth in sales and robust profits in 2016. Operating margin and cash flows have set new records, confirming that L'Oreal's business model set to deliver robust performance and create significant value.

 1st Cosmetics Group Worldwide ⁽¹⁾	 140 Countries	A Global Flotilla of 34 Complimentary Brands
 89,000 Employees	 Balanced Business Model Helps Us to Build a Sustainable and Profitable Growth Dynamic.	 473 Patents Registered in 2016
 +6.45% Dividend Per Share Growth	€4.54 Bn Operating Profit	

www.loreal-finance.com

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TERMINAL AVENUE

CLARK, NEW JERSEY



L'ORÉAL



F1+
a/o 9/27/16

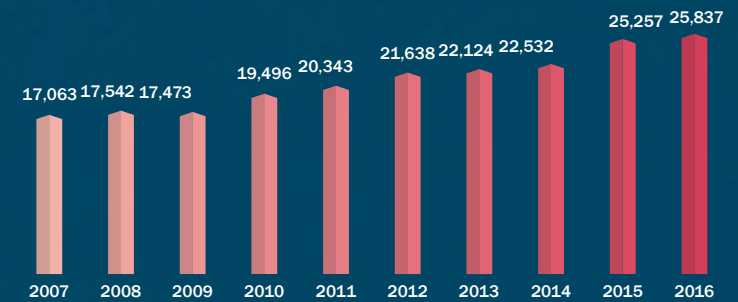


P-1
a/o 5/5/15



A-1+
a/o 6/5/06

Consolidated Sales (in millions of euros)



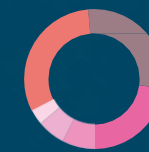
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Breakdown of 2016 Operational Divisions' Sales (as %)



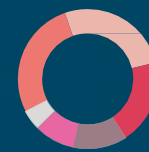
Operational Divisions

- 48.1% Consumer Products
- 30.8% L'Oréal Luxe
- 13.6% Professional Products
- 7.5% Active Cosmetics



Geographic Zones

- 32.1% Western Europe
- 28.5% North America
- 39.4% New Markets
- 22.6% Asia, Pacific
- 7.4% Latin America
- 6.3% Eastern Europe
- 3.1% Africa, Middle East



Business Segment

- 28.5% Skincare
- 26.4% Make-up
- 19.2% Haircare
- 12.1% Hair Colourants
- 9.5% Fragrances
- 4.4% Other

www.loreal-finance.com

II. PROPERTY OVERVIEW





Property Summary	
Site Size:	7.61 Acres
Building Size:	108,000 SF
Parking Spaces:	~450

Address	Type	Block/Lot	Acres
175-195 Terminal	Building	60/1.01	4.76
1136 Westfield	Parking	60/ 71	0.87
1148 Westfield	Parking	60/ 72	0.97
1154 Westfield	Parking	60/ 73	1.01
TOTAL			7.61

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TERMINAL AVENUE
 CLARK, NEW JERSEY



I-78: ~ 7.2 miles

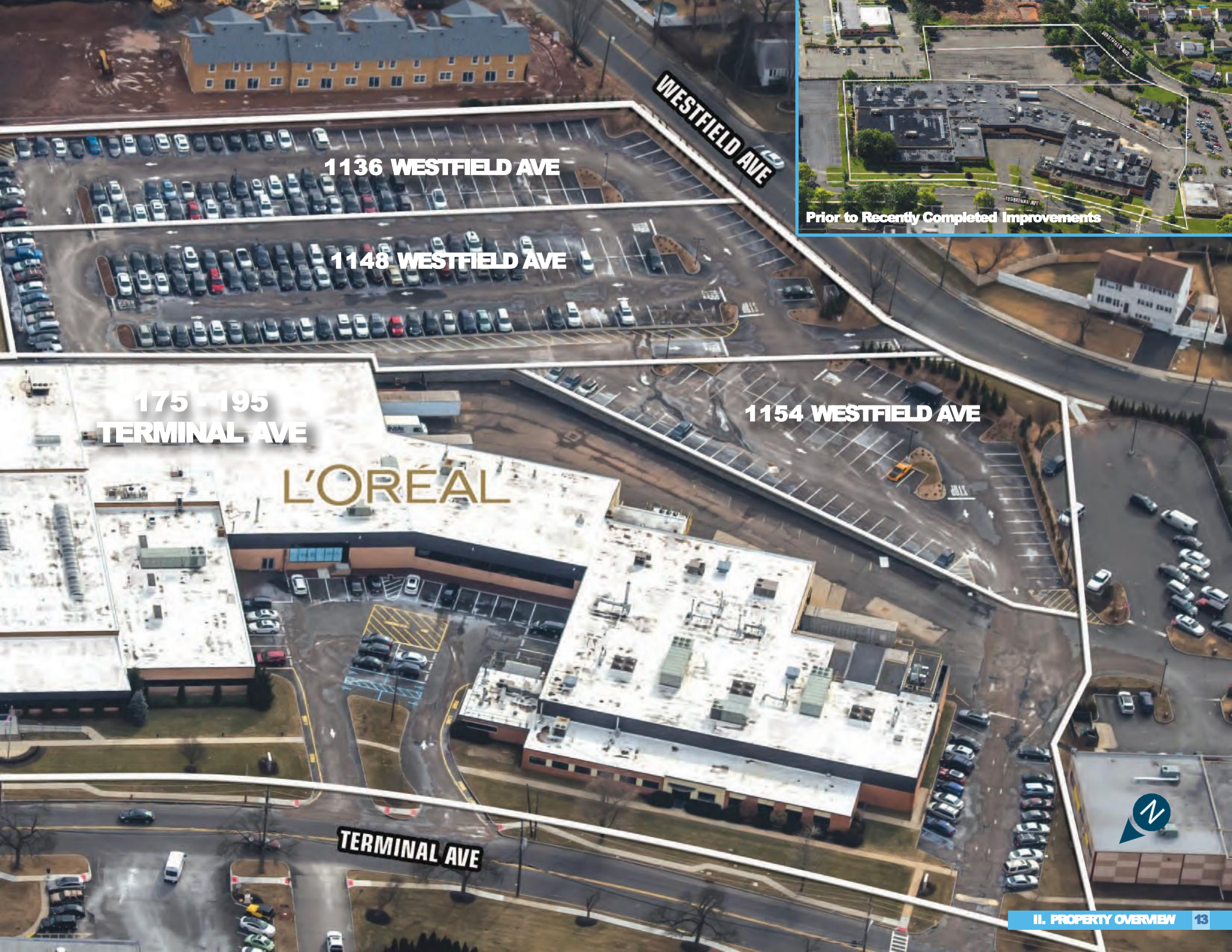
Garden State Pkwy: ~1.1 miles
 I-95 / NJ Turnpike: ~6.5 miles

Property Description

Building Size	108,000 SF
Build Type	Flex/ R&D
Stories	1
Year Built/ Renovated	1968/ 2002-2018
Leased (%)	100%
Tenancy	Single
Foundation	Slab-on-Grade
Exterior Walls	Concrete block and brick
Framing	Masonry exterior, steel frame construction (column joists and metal roof deck)
Windows	Fixed insulated glazing
Roof	New CentiMark Thermoplastic roof system. 20-year warranty from 10/31/17.
Clear Height	19'
Loading	8 loading docks/ 3 drive-in doors
HVAC	20 roof mounted HVAC units, chiller, heat exchanger, split system
Electrical	277/ 480 volt service
Plumbing	Cast iron sanitary, PVC waste and copper domestic water; (2) 80 gallon gas hot water heaters
Sprinklers	100%
Parking	~450 Spaces
Electric Service	PSE&G
Gas	Elizabethtown Gas Company
Sewer	Township of Clark
Water	New Jersey American Water Company
Zoning	CI (Commercial Industrial District)
Flood Zone	Zone X(Outside of 500-yr floodplain)

Address	Type	Block/ Lot	Acres	Tax Assessment
175-195 Terminal	Building	60/1.01	4.76	\$1,467,700
1136 Westfield	Parking	60/ 71	0.87	\$155,400
1148 Westfield	Parking	60/ 72	0.97	\$138,100
1154 Westfield	Parking	60/ 73	1.01	\$117,700
Total			7.61	\$1,878,900





1136 WESTFIELD AVE

1148 WESTFIELD AVE

**175-195
TERMINAL AVE**

L'OREAL

1154 WESTFIELD AVE

TERMINAL AVE

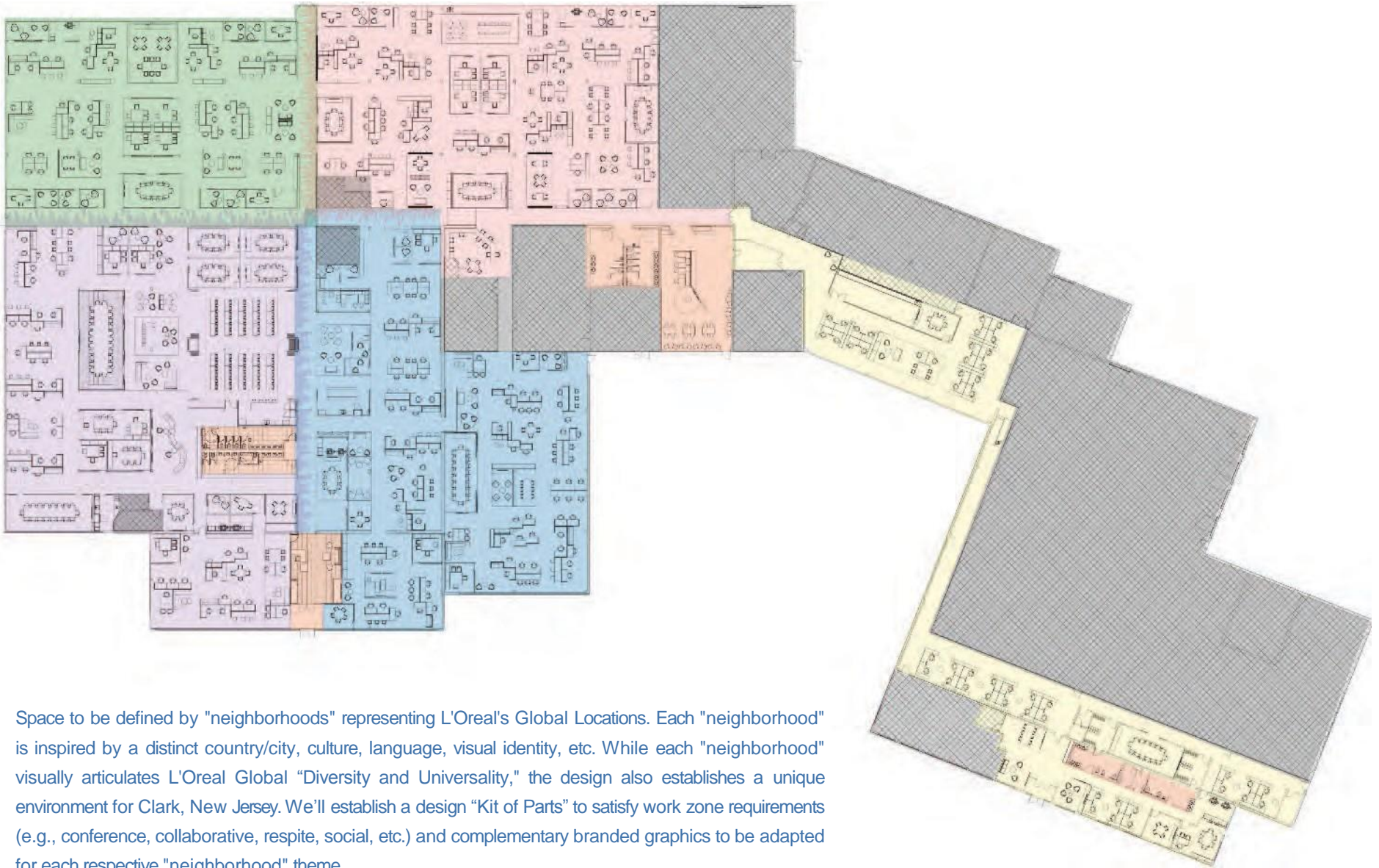
WESTFIELD AVE



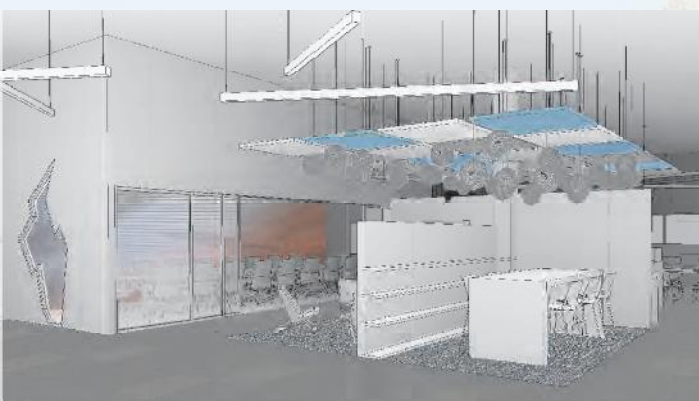
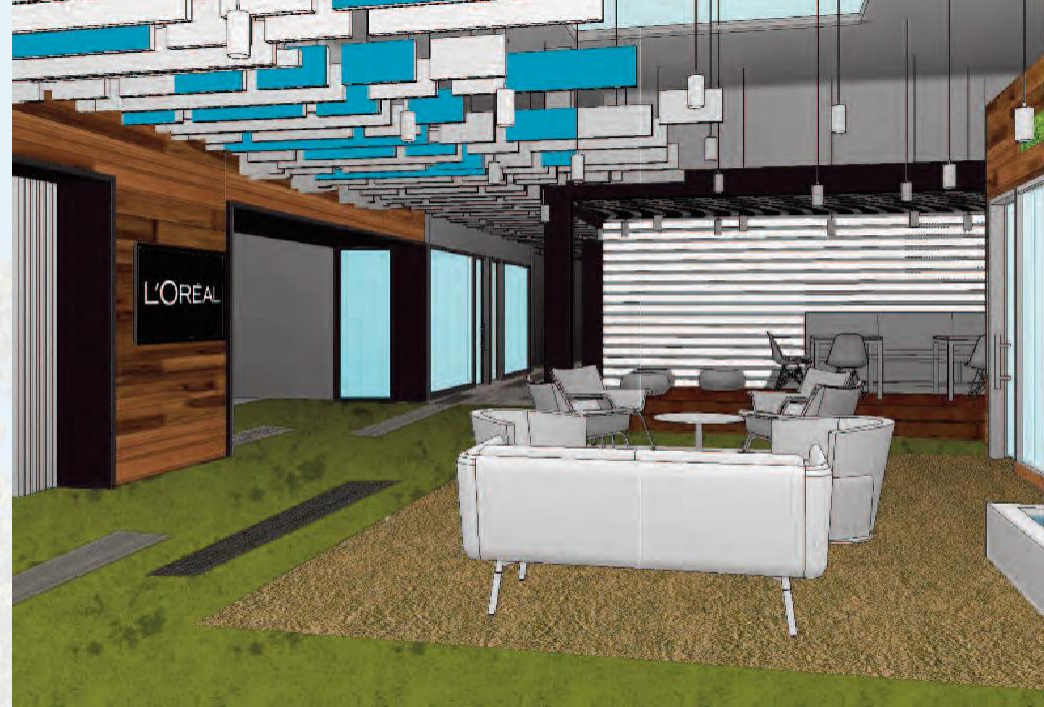
Prior to Recently Completed Improvements



L'Oreal's Interior Design Intent - Improvements Completed in 2017



Space to be defined by "neighborhoods" representing L'Oreal's Global Locations. Each "neighborhood" is inspired by a distinct country/city, culture, language, visual identity, etc. While each "neighborhood" visually articulates L'Oreal Global "Diversity and Universality," the design also establishes a unique environment for Clark, New Jersey. We'll establish a design "Kit of Parts" to satisfy work zone requirements (e.g., conference, collaborative, respite, social, etc.) and complementary branded graphics to be adapted for each respective "neighborhood" theme.



Verrazano-Narrows Bridge



Elizabeth

Linden Airport



Clark Commons

Exit 135



Hyatt Hills Golf Complex

CENTRAL AVE

Clarkton Shopping Center

WESTFIELD AVE

RARITAN RD

ACME



TERMINAL AVE

L'OREAL

RAIL



RAYWAY AVE

OLD RARITAN RD

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TERMINAL AVENUE
CLARK, NEW JERSEY

III. LOCATION OVERVIEW

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TERMINAL AVENUE

CLARK, NEW JERSEY

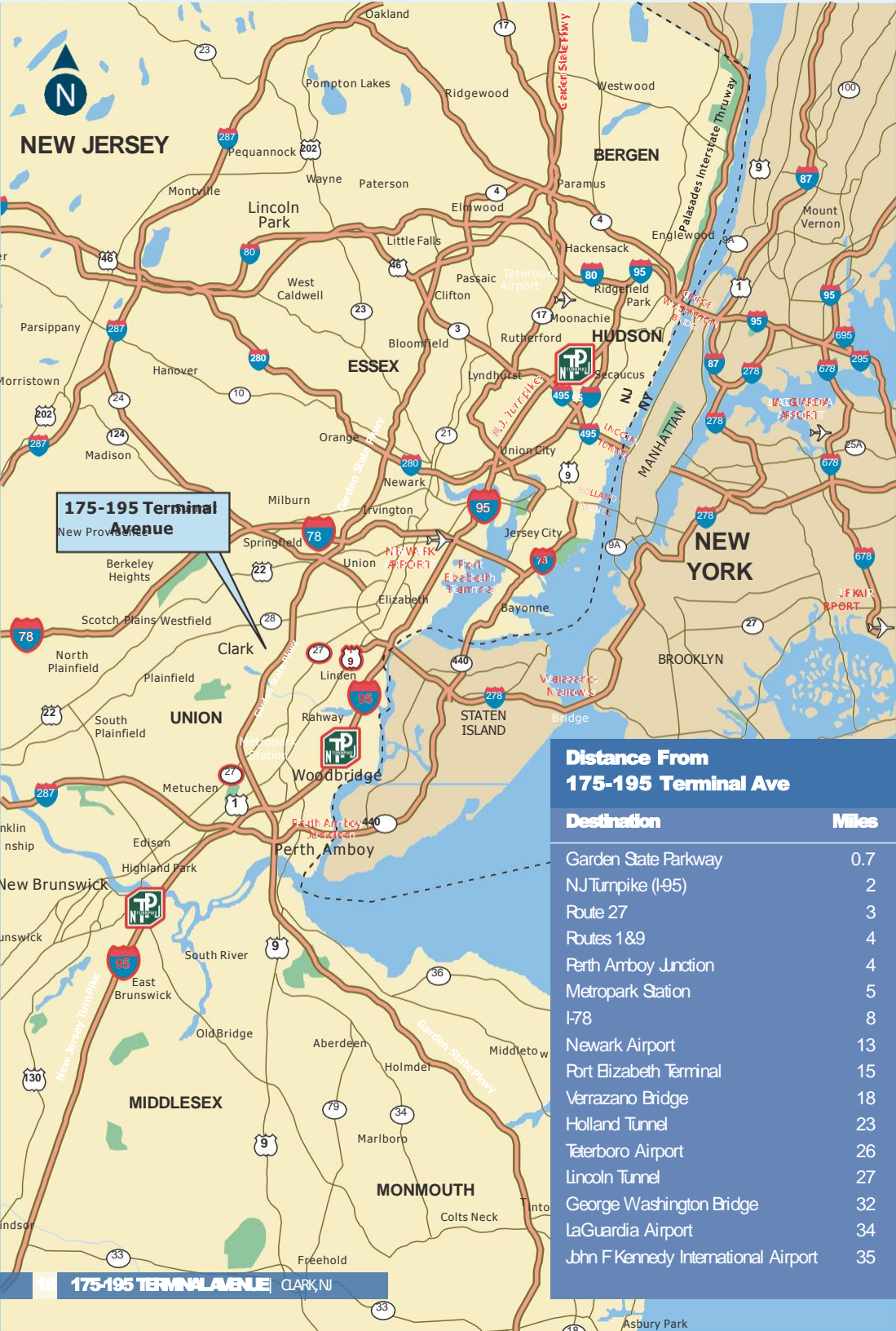
Union County

is located in the northeast part of New Jersey, and is in the New York Metropolitan Area, the largest MSA in the country. Located approximately 16 miles from New York City and 6 miles from Newark, the county was assigned a AA+ bond rating due to the diverse local economy, benefits from the extensive transportation network and proximity to New York City. With more than 5,000 persons per square mile on average, Union County is one of the most densely populated counties in America.

Union County is home to many national and international corporations with industries such as pharmaceutical, technology and consumer goods, among others. Corporations are attracted by the well –developed roadway system, proximity to New York City, access to a deep labor pool and nearby executive housing communities. The following corporations maintain a significant presence in Union County:

Company	Industry	Location
Atlantic Health	Medical	Summit
Alcatel-Lucent USA	Technology	Murray Hill
New England Motor Freight	Logistics	South Plainfield
USI Services Group	Commercial Services	Union
Bed Bath & Beyond	Consumer Goods	Union
FedEx	Air Deliver & Freight Services	Summit
Kean University	Education	Union
Maier Terminals	Port Services	Elizabeth
Trinitas Hospital	Medical	Elizabeth





Location Overview (continued)

CLARK, NEW JERSEY

Clark has a land area of 4.4 square miles and is located in the south central part of Union County. Clark began as a town dominated by small farms until the construction of the Garden State Parkway. The highway split the town directly across the middle and transformed the rural town into a high activity suburban community. Clark has a population of 16,047 and average household income of \$113,295. Clark's white-collar community make up 70% of the population compared to 15% of blue collar and 15% of service employees.

DEMOGRAPHIC OVERVIEW

Clark is located within one of the Country's most populous and affluent areas. The average income within a 3-mile radius surrounding the property is \$129,735. The area is also highly educated with 40% of the population over 25 years old having a bachelor's degree or higher. It is Clark's highway access (especially along the Garden State Parkway), proximity to Manhattan, affluence and access to labor that has attracted business owners and corporate executives to locate their operations here.

DEMOGRAPHIC SNAPSHOT

	WITHIN 1-MILE RADIUS	WITHIN 3-MILE RADIUS	WITHIN 5-MILE RADIUS
AVERAGE HOUSEHOLD OLD INCOME	\$140,471	\$129,735	\$116,285
PEOPLE	1,255	135,098	362,223
HOUSEHOLDS	4,147	50,204	129,946
EMPLOYEES	7,697	58,577	184,853





28

28

Hyatt Hills Golf Complex

Clark Commons



Exit 135

CENTRAL AVE

CENTRAL AVE



RAIL

KinderCare

ACME

Clarkton Shopping Center

175 - 195
TERMINAL AVENUE
CLARK, NEW JERSEY

TERMINAL AVE

BARITAN RD

L'OREAL

WESTFIELD AVE

Retro Fitness

RAHWAY AVE



Newark Liberty International Airport



Location Overview

(continued)

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TERMINAL AVENUE

CLARK, NEW JERSEY

AREA AMENITIES

Port Newark-Elizabeth Marine Terminal

Port Newark-Elizabeth, the largest Port on eastern coast of the US and the third-largest in the country, it is the principal container ship facility for goods entering and leaving the New York Metropolitan area and the northeastern quadrant of North America.

Newark Liberty International Airport

Newark Liberty International Airport is located about 15 miles from Midtown Manhattan. Newark serves 50 carriers, with FedEx Express being its second-largest tenant

Teterboro Airport

Owned and managed by the Port Authority of New York and New Jersey, Teterboro Airport located just 12 miles from Midtown Manhattan, is very popular for private and corporate aircraft.



Metropark Station

Metropark Station is a major commuter rail hub in Iselin, New Jersey. It is served by Amtrak and NJ Transit trains on the Northeast Corridor, providing direct access to New York City.



New York City

New York City is a globally influential center of art, culture, fashion, and finance. One of those most popular cities in the world, and right across the river from Bergen County, the city is home to many headquarters such as Verizon, JPMorgan Chase, Citigroup, and MetLife.



The logo for Nautica, featuring a stylized sailboat icon above the word "NAUTICA" in a bold, sans-serif font.

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TERMINAL AVENUE
CLARK, NEW JERSEY



The Mills at Jersey Gardens

Considered the second largest mall in New Jersey, it is a two-level indoor outlet mall in Elizabeth, New Jersey. The mall contains over 230 stores and restaurants, including Coach, Michael Kors, and Lord & Taylor Outlets.



Menlo Park Mall

Menlo Park Mall is a two-level upscale super regional shopping mall, located on US Route 1 in Edison, NJ. Including stores such as Macy's, Nordstrom, and an AMC Dine-In theater, the mall has a gross leasable area of about 1,232,000 SF.



175

Northern New Jersey Industrial Market



THIRD LARGEST CONCENTRATION OF INDUSTRIAL SPACE IN THE U.S.

With 633 million square feet of inventory, Northern New Jersey is the third largest concentration of industrial space in the U.S.



AREA HAS A POPULATION OF 20.2 MILLION

The New York area's 20.2 million population drives locally-based warehouse demand, while proximity to other large metros make it a strategic location for regional distribution as well.



EXTENSIVE TRANSPORTATION INFRASTRUCTURE

The market has extensive highway and freight rail connections as well as a container port and international airport.



11.8 MILLION SQUARE FEET OF POSITIVE NET ABSORPTION

Northern New Jersey saw 11.8 million square feet of positive net absorption over the trailing year, compared to 8.6 million square feet of new deliveries. This imbalance drove vacancy down 60 basis points to 4.8% as of fourth-quarter 2017.



AVERAGE ASKING RENT INCREASED BY 14.3%

Declining availability has given landlords pricing power and has allowed the average asking rent to increase by 14.3% year-over-year.



STRONG DEMAND IN THE NORTHERN NJ INDUSTRIAL MARKET

The development pipeline is growing with 12.1 million square feet currently under construction, but so far it has been met by even greater demand.

Market Overview (continued)

UNION CENTRAL FLEX/R&D MARKET

Union Central contains 2.0 million square feet of flex inventory, including R&D facilities, for which rents are typically higher than for standard industrial build-out. The average asking rent for flex/R&D space in Union Central as of fourth-quarter 2017 is \$12.00/SF, triple-net, while the vacancy rate equates to 3.1%. The presence of major life sciences corporations, such as Merck, Celgene and L'Oreal, help drive demand for R&D space in the area.

UNION CENTRAL FLEX/ R&D MARKET STATS 4Q 2017



2.0 MILLION SQUARE FEET
INVENTORY



0 SQUARE FEET
UNDER CONSTRUCTION



19 BUILDINGS
INVENTORY



3.1%
AVAILABILITY



\$12.00/ SF, NNN
RENTAL RATE





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TERMINAL AVENUE
CLARK, NEW JERSEY





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