



Dillard's

sears





Table of Contents

INVESTMENT SUMMARY 3
Investment Highlights

PROPERTY OVERVIEW 4
Property Details

TENANT PROFILE 5
Lease Abstract

FINANCIAL ANALYSIS 7
Rent Roll

AREA OVERVIEW 8
Location Map
Retail Map
City Overview

Exclusively Marketed By

Dan Hoogesteger
Lic #01376759

310.774.3772 | DIRECT
dan@SIGnnn.com

Chris Sands
Lic #01387583

310.498.8200 | DIRECT
chris@SIGnnn.com



Sands Investment Group believes the information contained herein to be reliable. However, we make no guarantees, representations or warranties of any kind, expressed or implied regarding this information; including, but not limited to content, accuracy & reliability. Investors should consult a tax and legal advisor, as well as verify ALL information prior to the investment.

SANDS INVESTMENT GROUP | 2701 Ocean Park Blvd, Suite 140 | Santa Monica, CA 90405

In Cooperation with Housepad, LLP
LIC#PA625585000

Investment Summary

Offering Price ⁽¹⁾	\$3,240,000
Cap Rate	5.41%
NOI	\$175,191
<i>Base Rent ⁽²⁾</i>	<i>\$165,000</i>
<i>Percentage Rent ⁽³⁾</i>	<i>\$10,191</i>
Price per SF	\$521.99
Total Building Area	6,207 SF
Total Land Area	52,708 SF

(1) Price calculated based on Base Rent capitalized at 5.25% and Percentage Rent capitalized at 10%

(2) Assumes rent increase as of July 2015

(3) Assumes 7% increase in sales volume from 2014



HOOTERS

Investment Highlights

- Long Term Lease – 15 Years Remaining
- Absolute NNN – Zero Landlord Responsibilities
- Fully Remodeled Restaurant in 2010
- Year after Year Historical Increase in Sales Volume
- Rent to Sales Ratio under 6%
- 10% Rental Increases every Five Years
- Dense Infill Location – Over 220,000 People within a 5-mile Radius
- Excellent Location and Visibility – Traffic Counts of Approximately 38,000 VPD on 75th Ave. and over 28,000 VPD on Thomas Rd.
- Outparcel to Desert Sky Mall – Nearby Tenants Include: Bank of America, Chase, Dillard's, Sears, Burlington Coat Factory, Target and Wells Fargo



Property Overview

ADDRESS

2820 N. 75th Avenue
Phoenix, AZ 85035

LOCATION

The property is located within one block of the W. Thomas Rd. and N. 75th Ave intersection.

PARCEL

Tax assessor parcel is 102-38-017A.

LAND AREA

The subject property's land area is approx. 52,708 SF (1.21 Acres).



INGRESS/EGRESS

Access to the property is available via two (2) entrances. (W. Thomas Rd. and N. 75th Ave.)

BUILT

The property was fully renovated in 2010 and was originally built in 1999.

BUILDING AREA

The subject site consists of a single-story 6,207 SF restaurant.

TRAFFIC COUNT

Daily traffic counts at the intersection of W. Thomas Rd. and N. 75th Ave. exceed 66,000 cars per day.

Trade Area Profile Statistics	1-Mile	3-Mile	5-Mile
POPULATION ESTIMATE	13,223	105,235	227,945
AVERAGE H.H. INCOME	\$44,162	\$51,524	\$52,099



Tenant Profile

The first Hooters opened October 4, 1983, in Clearwater, Florida. The Original Six founders were quickly detained for impersonating restaurateurs, but fortunately for America, they were soon allowed to go about their business. During its history, the Hooters concept has remained true to its roots. The current logo, uniform, menu and ambiance are all very similar to what existed in the original store. This consistency is understandable given Hooters continued success and high ranking amongst the industry's growth leaders.

Hooters of America operates and franchises more than 420 Hooters restaurants in about 40 states and more than 27 countries. The casual beach-themed establishments feature music, sports on large flat screens, and a menu that includes seafood, sandwiches, burgers, salads, and of course, Hooters original chicken wings. Others have arrived, departed, and even flat out copied our formula, but we remain the genuine original.



NOT SUBJECT PROPERTY

Company Facts

FOUNDED	1983
CORPORATE LOCATION	Atlanta, GA
REVENUE	\$215.7 Million
PUBLIC COMPANY	Private
# OF LOCATIONS	430+



Lease Abstract

TENANT	West Phoenix Hooters, Inc.
PREMISES	A building of approximately 6,207 SF in Phoenix, AZ. APN: 102-38-017A
LEASE COMMENCEMENT	July 29, 2010
LEASE EXPIRATION	June 30, 2030
LEASE TERM	15 years remaining
RENEWAL OPTIONS	Four(4) – Five (5) Year Options
LEASE TYPE	Triple Net (NNN)
RENT INCREASES	10% Every 5 years, including options
USE	Restaurant
PROPERTY TAXES	Tenant Pays Directly
ROOF & STRUCTURE	Tenant Pays Directly
REPAIRS & MAINTENANCE	Tenant Pays Directly
INSURANCE	Tenant Pays Directly

ANNUALIZED OPERATING DATA

RENT	PER MONTH	PER YEAR
Years 1 – 5	\$12,500	\$150,000
Years 6 – 10	\$13,750	\$165,000
Years 11 – 15	\$15,125	\$181,500
Years 16 – 20	\$16,638	\$199,650

OPTIONS	PER MONTH	PER YEAR
Option 1: Years 21 – 25	\$18,301	\$219,615
Option 2: Years 26 – 30	\$20,131	\$241,577
Option 3: Years 31 – 35	\$22,145	\$265,734
Option 4: Years 36 – 40	\$24,359	\$292,308

❖ Plus Percentage Rent: 5.75% vs. Natural Breakpoint



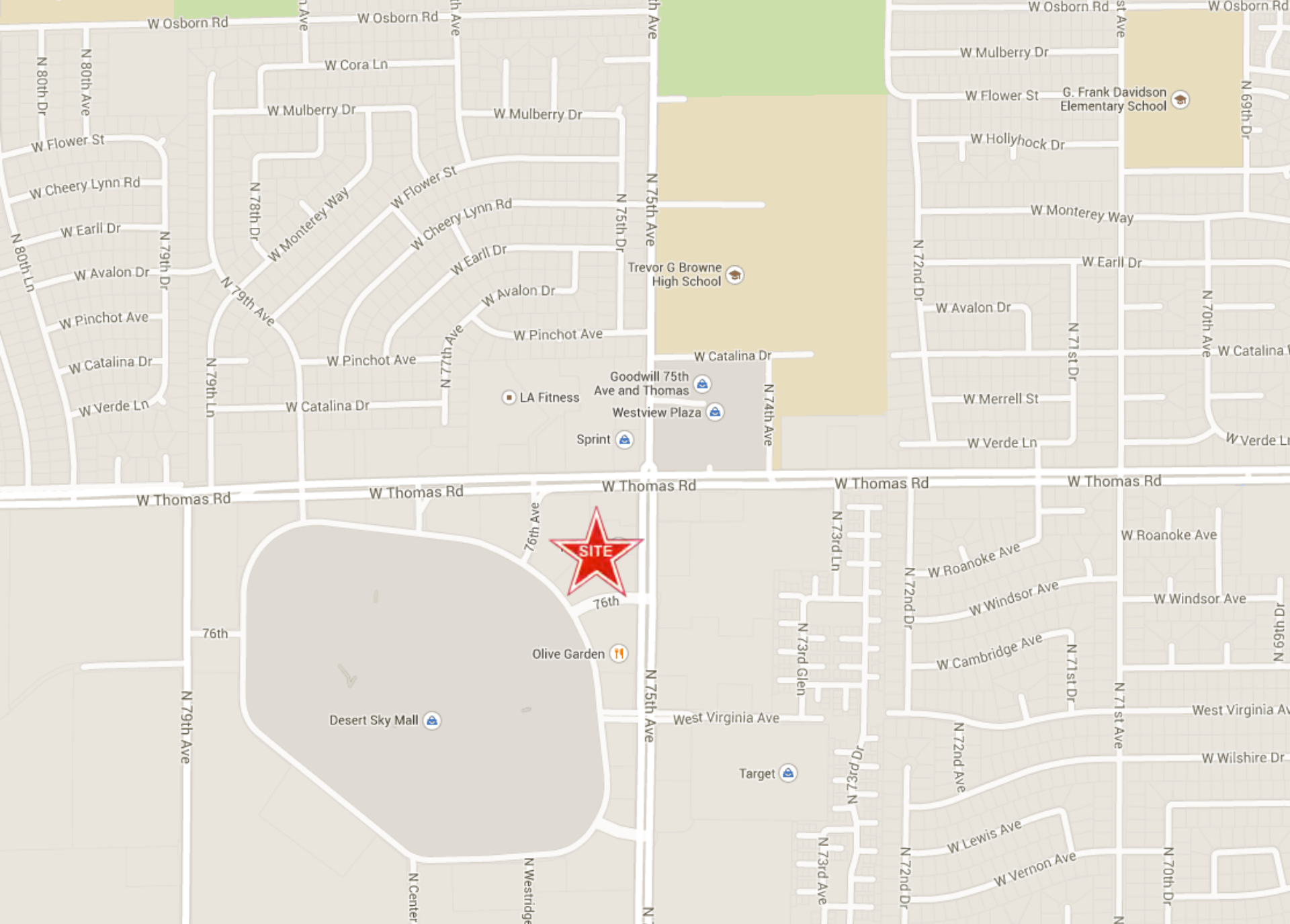
Rent Roll

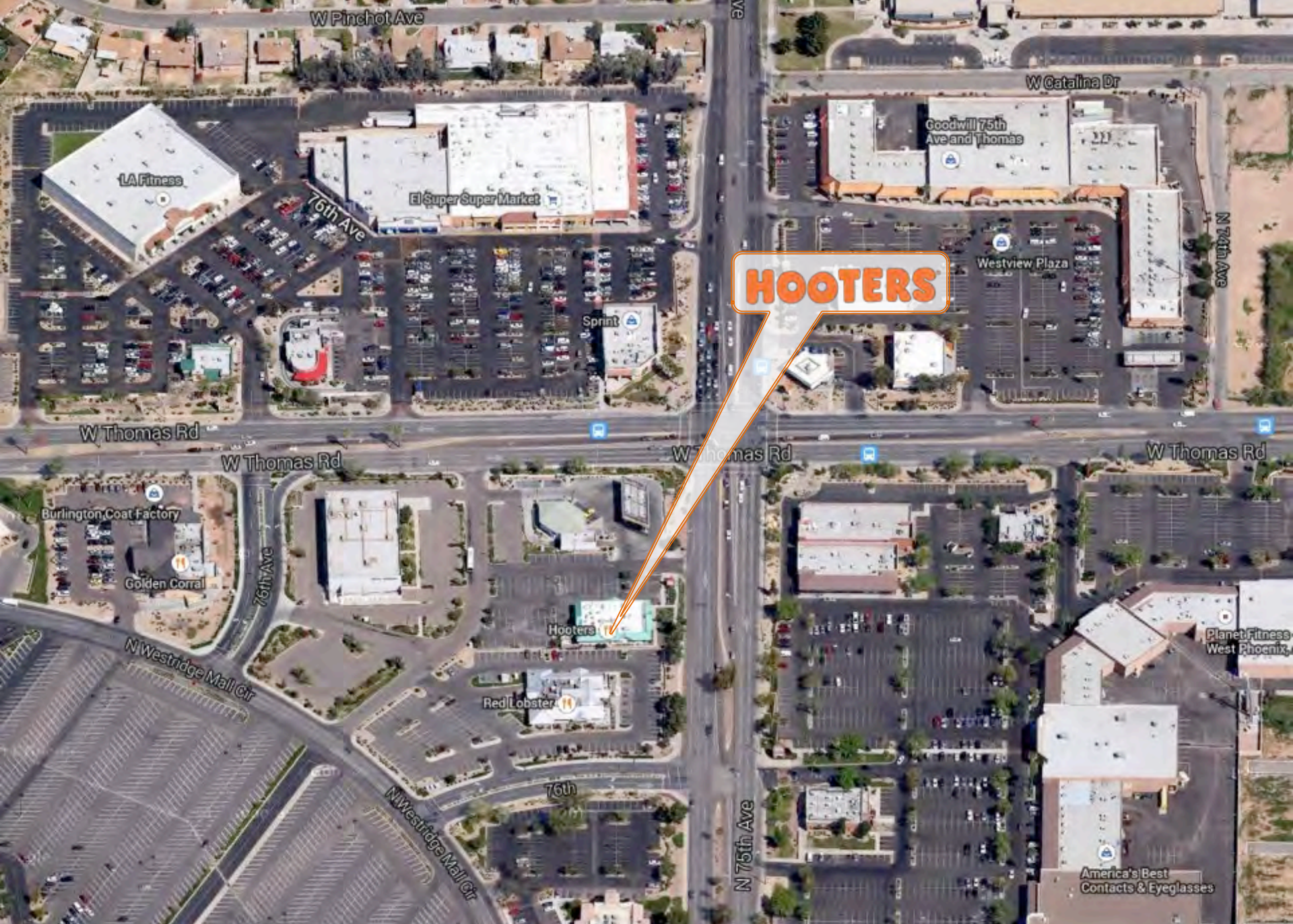
TENANT NAME	SIZE		ANNUAL RENT			LEASE TERM				
	SQUARE FOOTAGE	% OF TOTAL	BASE RENT % RENT	RENT / SF	% OF TOTAL	INCREASE DATES	RENTAL INCREASE	LEASE BEGIN	LEASE END	OPTIONS
West Phoenix Hooters, Inc.	6,207	100%	\$165,000 ⁽¹⁾	\$26.58	100%	Every 5 Years	10%	7/29/2010	6/30/2030	4 (5 Year)
			\$10,191 ⁽²⁾	\$1.64						
OCCUPIED SF	6,207	100%	\$175,191	\$28.22	100%					
VACANT SF	0	0%	\$0.00	\$0.00	0%					
TOTAL / WTD AVG	6,207	100%	\$175,191	\$28.22	100%					

❖ Plus Percentage Rent: 5.75% vs. Natural Breakpoint

(1) Assumes rent increase as of July 2015

(2) Assumes 7% increase in sales volume from 2014





HOOTERS



HOOTERS

City Overview – Phoenix, Arizona



Phoenix is the capital, and largest city, of the state of Arizona. With 1,445,632 people (as of the 2010 U.S. Census), Phoenix is the most populous state capital in the United States, as well as the sixth most populous city nationwide. Phoenix is the 13th largest metro area by population in the United States, with approximately 4.3 million people in 2010. In addition,

Phoenix is the county seat of Maricopa County and is one of the largest cities in the United States by land area. Settled in 1867 as an agricultural community near the confluence of the Salt and Gila Rivers, Phoenix incorporated as a city in 1881. Located in the northeastern reaches of the Sonoran Desert, Phoenix has a subtropical desert climate. Despite this, its canal system led to a thriving farming community, many of the original crops remaining important parts of the Phoenix economy for decades, such as alfalfa, cotton, citrus and hay (which was important for the cattle industry). In fact, the "Five C's" (Cotton, Cattle, Citrus, Climate, and Copper), remained the driving forces of Phoenix's economy until after World War II, when high tech industries began to move into the valley.

The population growth rate of the Phoenix metro area has been nearly 4% per year for the past 40 years. Phoenix is the cultural center of the metro area, as well as the rest of Arizona. Phoenix is currently home to four Fortune 500 companies: electronics corporation Avnet, mining company Freeport-McMoRan, retailer PetSmart, and waste hauler Republic Services. Honeywell's Aerospace division is headquartered in Phoenix, and the valley hosts many of their avionics and mechanical facilities.

Intel has one of their largest sites in the area, employing about 12,000 employees, the second largest Intel location in the country; they are spending \$5 billion to expand their semiconductor plant. American Express hosts their financial transactions, customer information, and their entire website in Phoenix. The military has a significant presence in Phoenix, with Luke Air Force Base located in the western suburbs. At its height, in the 1940s, the Phoenix area had three military bases: Luke Field (still in use), Falcon Field, and Williams Air Force Base (now Phoenix-Mesa Gateway Airport), with numerous auxiliary air fields located throughout the region. Foreign governments have established 30 consular offices and eleven active foreign chambers of commerce and trade associations in metropolitan Phoenix.



Confidentiality Agreement

The information contained in the following Offering Memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Sands Investment Group and should not be made available to any other person or entity without the written consent of Sands Investment Group.

This Offering Memorandum has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property.

The information contained herein is not a substitute for a thorough due diligence investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property.

The information contained in this Offering Memorandum has been obtained from sources we believe to be reliable; however, Sands Investment Group has not verified, and will not verify, any of the information contained herein, nor has Sands Investment Group conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

By receipt of this Memorandum, you agree that this Memorandum and its contents are of confidential nature, that you will hold and treat it in the strictest confidence and that you will not disclose its contents in any manner detrimental to the interest of the Owner. You also agree that by accepting this Memorandum you agree to release Sands Investment Group and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this property.



A photograph of a Hooters restaurant building with a large sign on the roof. The sign features the word "HOOTERS" in large, stylized letters with owl eyes on the 'O's. The building has a gabled roof and a wooden door. There are trees in front of the building.

HOOTERS

Exclusively Marketed By:

DAN HOOGESTEGER
LIC #01376759

CHRIS SANDS
LIC#01387583

310.774.3772 | DIRECT
dan@SIGnnn.com

310.498.8200 | DIRECT
chris@SIGnnn.com

In Cooperation with Housepad, LLP
LIC#PA625585000



SANDS INVESTMENT GROUP
NET INVESTMENTS... NET RESULTS