



FLORIDA RETAIL DESTINATION CENTER

TITUS LANDING | OFFERING MEMORANDUM

NAI Capital | INVESTMENT
COMMERCIAL REAL ESTATE SERVICES, WORLDWIDE | SERVICES GROUP



NEWLY DEVELOPED FLORIDA RETAIL/ENTERTAINMENT CENTER FOR SALE

High-Quality Investment Opportunity/Long-Term Leases In Place

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A. MAX BREWER BRIDGE



INDIAN RIVER



S. WASHINGTON AVE (U. S. Route 1)

AVAILABLE PAD

AVAILABLE PAD



S HOPKINS

HARRISON ST



AVAILABLE PAD



Investment Summary

Offering Price: \$47,000,000

Price PSF: \$200

NOI (EOY 1): \$2,969,783

Cap Rate (EOY 1): 6.32%

Cap Rate (Stabilized): 6.60%

Potential All Cash IRR: 7.36%

Potential Leveraged IRR: 14.25%

Loan Terms: 10 Year Interest Only 3.10%



SIZE

234,538 SF "CLASS A"
RETAIL/ENTERTAINMENT



CORE TENANTS

7 CREDIT CORE
TENANTS OCCUPY 76.0%



OCCUPANCY

92.5%



VACANCY

7.5%



WALE

9.91 YEARS



EXPECTED STABILIZATION

September 2020



YEAR BUILT

2016-2019



PARKING

1,605 SURFACE SPACE



ZONING

PLANNED DEVELOPMENT



WEBSITE

TITUSLANDING.COM





Investment Highlights

- Unique Opportunity to Acquire a Newly Built Destination Style Retail Center that Benefits from a Stable Predictable Cash Flow with Long-Term Leases in Place (WALE: 9.91 Years)
- Stabilized Cap Rate **500 bps Over the 10-Year Treasury**
- Excellent **Stabilized Yield** Potential at **14.25%**
- Institutional Quality "Amazon Proof" Investment Opportunity with Minimal Landlord Responsibilities
- First Institutional Quality Investment Opportunity in the Rapidly Growing Space Coast Market in 10 years
- Fast Growing Location in the Heart of the New Private Space Tourism Industry Supported by Large Corporate Investments from Boeing, Airbus, Space X (Elon Musk), Blue Origin (Jeff Bezos), Airbus, Virgin Galactic (Richard Branson) and Lockheed Martin.
- **Destination Retail Location** – Located on One of the Busiest Highways in Florida, Titus Landing is at the Center of Commercial Development and Corporate Investments in the Heart of Space Coast - Home of the Rapidly Developing **\$34 Billion** Commercial Space Industry.
- **Fast Growing Demographics** – **\$3.19 Billion** HH and **\$1.51 Billion** Retail Expenditures in Trade Area (15 Miles)
- **Supply Constrained Market** – Next Major Entertainment Center is Over **17 Miles Away**. No Other Newly Built Big Box Retail Center in the Trade Area.
- **Stable Cash Flow** – High-Quality, **Core Tenants Occupy 76%** of the Property. **Credit Tenants Account for About 90% Revenues.**
- **WALE: 9.94 Years** plus Renewal Options. No Capital/Minimal Repair Cost.
- **Increased Depreciation** - Newly Built Property Lends Itself to Cost Segregation to Potentially Increase Depreciation/ Tax Deduction.
- **Portfolio Investment** – Ideal 1031 Exchange Upleg for Real Estate Funds. Risk Reduction Opportunity for Pension Fund Portfolios.

Value Add Investment

- Opportunity to **Increase Net Operating Income about \$350,000** by Leasing Up 16,002 SF (6.8%) of Vacancy
- Potentially Increase In-Place **Cap Rate** almost **100 bps** from 5.63% to 6.60% (Stabilized)
- Vacant land parcel approved for 12,900 SF building included in the purchase price
- Opportunity to purchase a core and 2 outparcels in the development for an additional \$2.2M.

Location Highlights

- Attractive Space Coast Market - Rapidly Growing **\$4.5 Billion of Economic Activity**
- Irreplaceable Space Coast Investment – Institutional Quality Retail Property 1st Time in 10 Years in One of America’s Fastest Growing Markets
- **High visibility** – Large Monument Signage on U.S. Route 1 (S Washington Ave)
- **Signalized Intersection** with **Over 56,000 Average Daily Traffic.**
- **Convenient Shopping Access** - Over **1,100 Linear Feet Frontage** on U.S. Route 1, One of the Busiest Highways in Florida.
- Titus Landing is the Entertainment and Retail Destination for More than 160,000 Residents. **No Direct Competition. Next Movie Theater Over 17 Miles Away.**
- The Area is Home to the Kennedy Space Center (KSC), Cape Canaveral Air Force Station; and the Rapidly Developing Private Space Travel Industry Spearheaded by Boeing, Lockheed Martin, Northrop Grumman, Space X (Elon Musk), Blue Origin (Jeff Bezos), Virgin Atlantic (Richard Branson), L3 Technologies and Others.
- Over **\$2 Billion** Corporate Investments Dedicated to Private Space Tourism.
- SpaceX Requested Permit to Launch **40,000 Satellites.**
- Blue Origin (Jeff Bezos) Investing More than **\$1 Billion** in an Infrastructure Dubbed “The Road to Space” that Could Facilitate Millions of People to Work, Travel and Live in Space.
- Port Canaveral the 2nd **Busiest Cruise Port in the World** is Only 15 Miles from the Property. Over **4.5 Million Passengers** Annually.



Property Overview



LOCATION

Newly Built 234,538 SF Retail/Destination Center: strategically located in the Heart of America's Space Coast - the Center of Private Space Tourism, a **\$34 Billion** Industry Starting in 2020.



PROPERTY TYPE

"Class A" Community Entertainment and Shopping Center anchored **by seven (7) Credit Retail Tenants** - Hobby Lobby, Harley-Davidson, Pet Supermarket, Tuesday Morning, Beall's, Ulta Salon and EPIC Theaters.



CORE RETAIL TENANTS

7 Credit Core Tenants Lease 76% of the Property.



VACANCY

Vacancy 7.5% / 17,556 SF. **Expected Stabilization** September 2020.



AVERAGE LEASE RATE

In-Place Rent \$19.74/SF



WALE

Recently signed long-term leases with a Weighted Average Lease Expiration (WALE) of 9.91 Years plus numerous renewal options.



MEDICAL OFFICE BUILDING

A 55,000 SF Medial Office Building fully leased to North Brevard County Hospital and Davida Dialysis located in the same approximately 32-acre Planned Development drives additional traffic to the Center. CAM recovery only. **Not part of the offering.**



TOTAL OCCUPANCY

92.5% or 216,982 SF by a Total of 25 Tenants



PARKING

1,605 Surface Parking - 1,358 Retail/ 247 Medical. Reciprocal Parking Easement. Parking Ratio: 4.67:1,000



ADDITIONAL OPPORTUNITY

Opportunity to Purchase 3 Land Parcels (1 Core & 2 Out Parcels) in the Development for an Additional \$2.2 M

Titus Landing Site Plan



Tenant Name	Suite
Hobby Lobby	Anchor G
Epic Theater	Anchor E
Bealls	Anchor B
Tuesday Morning	Anchor A
Ulta	Anchor C
Harley Davidson	Anchor D
Pet Supermarket	Anchor F
Rack Room	Retail K
Salsa	Restaurant B
Wayback Burgers	Restaurant J2
LeCrave	Restaurant D1
Dunkin Donuts	Restaurant F
Lee's Nails	Retail B1
ATT	Retail H
Firehouse Subs	Restaurant B5
Eye Optical Outlet	Retail A4/A5a
Amazing Jewelry	Retail B3
Coldwell Banker	Retail A2
Coldwell Banker	Retail A3
Decker Hair Salon	Retail B2
E Smoker	Retail B4
Titus Landing Pizza	Restaurant A1
Cosmic Creamery	Restaurant M
Vacant	Retail A7
Vacant	Rest C
Vacant	Retail B6
Vacant	Retail B7
Vacant	Retail B8
Vacant	Retail E2
Vacant	Retail N
Vacant	Retail L
Vacant	Restaurant D2
Frankie's Wings - LOI	Restaurant E1
Yuki Sushi - LOI	Restaurant J1
EATz - LOI	Restaurant A5b/A6
BBT Bank - CAM Recovery Only	Bank
Parrish Hospital - CAM Recovery Only	

AVAILABLE PAD





FIREHOUSE SUBS
FOUNDED BY FIREMEN™

HOBBY LOBBY

WAYBACK BURGERS

Pet Supermarket

RACK ROOM SHOES

DUNKIN' DONUTS

at&t

BB&T



S. WASHINGTON AVE

HARRISON ST

Titusville Mall



COLDWELL BANKER



BEALLS
BeallsFlorida.com

Tuesday Morning

ULTA
BEAUTY



S. HOPKINS ST



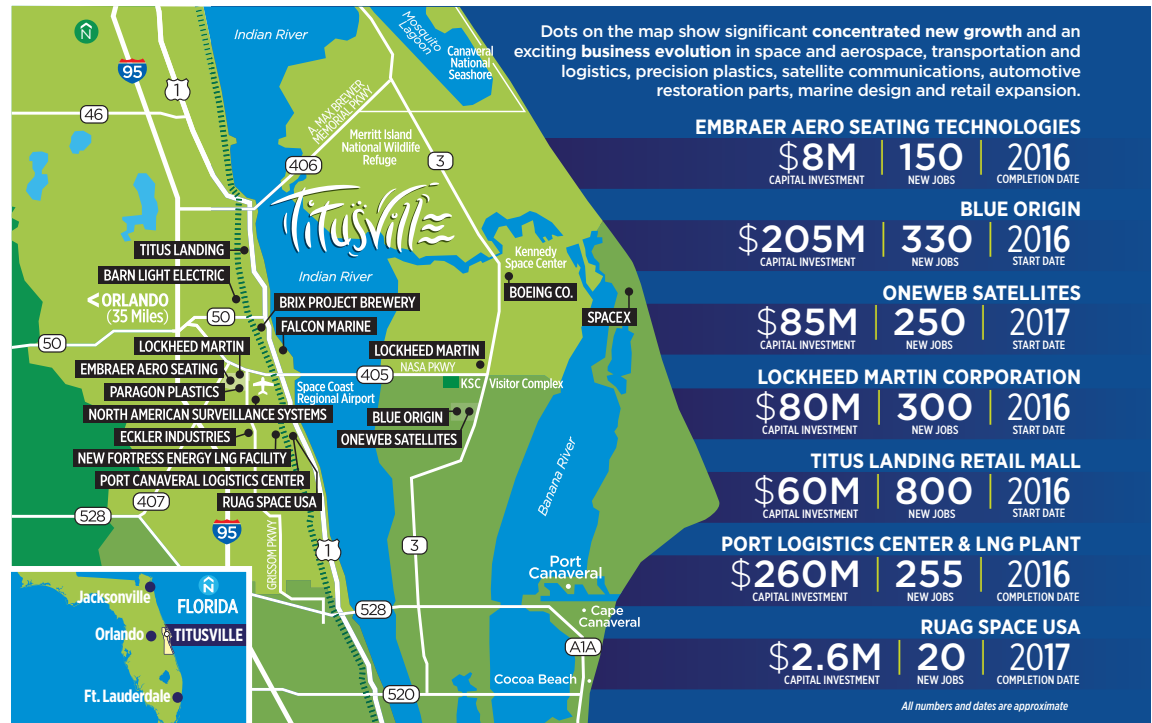
Titusville - An Economic Renaissance. Fastest Growing City in Florida.

Founded in 1867, Titusville is the Capital Seat of Brevard County and the Economic Center of the Rapidly Growing Space Coast, named after the Kennedy Space Center, that receives **1.5 M Visitors Annually**.

The **privatization of NASA** and the development of the **Private Space Tourism sector** brought an economic renaissance to the rapidly developing **Space Coast** - a regional trade area between I-95 and the Atlantic Ocean, about 35 Miles East of Orlando:

- **Boeing** is moving its Space and Launch headquarters to Titusville with the goal of returning astronauts to the moon by 2024. In 2018, Boeing brought in 520 new vendors with total purchasing contract of **\$894 Million**.
- **BlueOrigin** (Jeff Bezos) opened a new **\$205 Million/750,000 SF** rocket production facility in 2019. Committed to invest another **One-Billion Dollars** to double the size of their existing campus at Exploration Park to include manufacturing and launch control for future space missions.
- **SpaceX** (Elon Musk) is building a rocket refurbishing center and hiring more high-wage workers.
- **Lockheed Martin** officially relocated its Fleet Ballistic Missile headquarters to Titusville in July 2019 bringing over 350 jobs from Sunnyvale, CA.
- Firefly Aerospace of Texas is building a rocket factory that brings **239 jobs** to the area with annual **wages of about \$70,000**.
- OneWeb, a global satellite high speed internet company plans to **launch more than 900 satellites** within two years from the area. They are building an **\$85 Million** satellite assembly plant creating more than 250 high-wage jobs.

IN NORTH BREVARD **new GROWTH** ECONOMIC CULTIVATION PAYS OFF



- **RUAG**, a Switzerland-based satellite parts builder is constructing a new facility adding another 60 high-wage jobs.
- **Praxair (the largest industrial gas company in the western hemisphere)** invested **\$38 Million** into its existing facility
- **Purchasing Power:** New tech workers have high disposable income. This enhances customer base and increases demand for retail and entertainment centers.
- **Rapidly Increasing Customer Base:** Highly educated employees come from California and all over the world to work in the space/aerospace industries reducing **unemployment rate to 2.9%**. Employees cannot telecommute as they need to be present for the thousands of space launches. This contributes heavily to multifamily developments.
- **Purchasing Power:** New tech workers have high disposable income. This enhances customer base and increases demand for retail and entertainment centers.



Private Space Tourism – \$34 Billion Market by 2021

- Centered around the privatization of NASA in Titusville and Space Coast.
- NASA Budget: **\$22.6 Billion** (2020) / Kennedy Space Center Budge **\$1.9 Billion** (2019)
- SpaceX requested **to launch 40,000 private Starlink satellites**
- Blue Origin investing over **\$1 Billion** in “the Road to Space” - infrastructure to facilitate millions of people to work, travel and potentially live in space
- Virgin Galactic has sold over 680 tickets at \$250,000 each.
- SpaceX has been carrying NASA cargo to the International Space Station (ISS) for years.
- **NASA to open International Space Station (ISS)** to private space tourism in **2020**.
- NASA's mandate of returning a man to the moon by 2024 is going to be private mission with Boeing
- The 6 Major Players: Boeing, Lockheed Martin, Northrop Grumman, Blue Origins, SpaceX and Virgin Galactic plan over **100 Total Launches** from the Titusville Area/Space Coast in 2020.
- White House unveiled a **\$4.8 trillion budget proposal** that would substantially boost funding to NASA

POPULATION

	5 MILE	10 MILE	15 MILE
2024 Projection	54,309	105,986	151,827
2019 Estimate	50,286	98,921	141,731
Growth	8.00%	7.14%	7.12%

HOUSEHOLD



HH INCOME

	5 MILE	10 MILE	15 MILE
2024 Projection	\$\$\$\$\$\$ \$72,615	\$\$\$\$\$\$\$\$\$\$ \$77,127	\$\$\$\$\$\$\$\$\$\$\$\$\$ \$79,588
2019 Estimate	\$\$\$\$\$ \$64,094	\$\$\$\$\$\$\$\$\$ \$67,225	\$\$\$\$\$\$\$\$\$\$\$ \$69,675
Growth	\$ \$ 13.29%	\$\$\$ 14.73%	\$\$\$ 14.23%

4.5 Million Cruise Ship Tourists Annually

Port Canaveral is the **world's 2nd Busiest Cruise Port:**

- Recently voted as “**Best Cruise Port**” by readers of Global Traveler - ahead of Venice, Italy and Miami, FL.
- More than **4.5 Million passengers** passed through Port Canaveral in 2018, a nearly 8-percent increase over the previous year. These tourists often stay and shop in Titusville.
- Record **\$103.7 Million** in revenue for 2018. An increase over 7-percent from the previous year.
- Carnival Cruise Line, Disney Cruise Line, Norwegian Cruise Line and Royal Caribbean have nine cruise ships at the port. Popular for other cruise lines as well.
- In 2019, Carnival Cruise broke ground on a **new \$163 Million terminal complex** that will feature a two-story 187,000 SF design inspired by Kennedy Space Center.
- Port Authority just signed a **new 20-year deal with Disney** to bring three new ships to the Port and improve facilities in excess of **\$46 million**.
- Port Canaveral Logistics Center purchased a **246,240 SF Class-A Logistics Center** in Titusville.
- **\$400 Million capital improvement** to boost the port's capacity.



TOTAL HH EXPENDITURES



TOTAL RETAIL EXPENDITURE



Retail Market

- The Brevard County retail market continues to demonstrate resiliency with steady leasing activity from big brand tenants and considerable new construction underway.
- In 2019 rental rates increased 5.7% to an average of **\$22.00/SF**. This strongly supports the average In-Place (**\$19.74/SF**) and Stabilized (**\$20.62/SF**) rents at the Property enhancing **investor confidence in tenant retention**.
- Supermarkets, discount stores and fitness centers continue to be among the most active tenants as the market continues to thrive despite the sentiment of e-commerce driven retail store closures.
- The **pent-up demand** for institutional quality retail products in Orlando and Brevard Counties continues to grow. The greater Orlando area is one of the top retail markets in the country. Owners seldom bring to market large, high-quality shopping centers. Along the **Space Coast**, there has been no other large institutional quality retail center brought to market in 10 years.
- No direct competition from other national big box retailer in the immediate area. Nearest retail/entertainment destination is more than 17 miles away.
- Titus Landing is well-poised for **long-term stability** and **rental growth** as the area continues to blossom.

Employment

The influx of educated high-tech workers with strong purchasing power and disposable income keeps local unemployment rate at 2.9%, below the national average.

	Current Year (Nov 2019)	Previous Year (Nov 2018)	Percentage Change
Titusville Unemployment Rate	2.9%	2.9%	
State Unemployment Rate	2.7%	3.3%	
County Labor Force Size	285,519	277,669	2.81%
State Labor Force Size	10,479,000	10,293,000	1.81%

Source: Titusville Talking Point Newsletter



Notable Developments



Hotel:

- **Extended Stay** – a 4-Story / 124-Room Hotel
- **Courtyard by Marriott** – 5-Story / 152-Room Hotel
- **Hyatt Place** - 119-Room Hotel with 2-story office and Retail Building and an Observation Desk to Watch Launches
- **Marriott Hotel** - 485-room (\$200 Million)
- **Fox Lake Venue** - A New 10,900 SF Event Center

Commercial:

- **Let's Roll Space Coast:** 21,000 SF Theme Park, Roller Skating Rink
- **Beachwave** – 16,800 SF Commercial Plaza
- **A New Observation Pier** in Spaceview Park
- **Community Credit Union** – US Highway 1
- **Palm Point** – A new 25,000 SF 80-bed behavioral health center recently opened

Homes / Apartments:

- **Willow Creek** – 70 Single Family Development
- **River Palms** – 100 Unit Condo Development
- **Luna Trails** – 84 Unit / 3-Story Apartment Complex
- **Park Reserve** – 39 Lot Single Family Home Subdivision
- **South Carpenter Estates** – 70 Single Family Homes
- **JMG Realty**, is building 600 apartment units within Space Coast Town Centre in West Melbourne (Not on map)
- **Zimmerman Development** is building The Highline, an eight-story, 171-unit community in downtown Melbourne (Not on map)

Industrial:

- **A 20,000 SF / 4.5 Acre Manufacturing Facility** for Engineering Bonding Solution
- **8,000 SF Building** for LeNginer High Tech
- **5 Acre Lot** in Spaceport Commerce Park by MJW Consolidated

Additional Landmarks:

- **Kennedy Space Center Visitor Complex**
- **Blue Origin Rocket Factory**

Tenant Profiles



Tenant Size
55,000 SF

Initial Term
Oct, 2016 – Sep, 2031

Options
3 X 5 Years

Rate
\$6.25/SF

Annual
\$343,750

Hobby Lobby Stores, Inc

Hobby Lobby Stores, Inc., a private for-profit corporation which owns a chain of American arts and crafts stores. The company opened its first store Oklahoma City in 1972 and grew organically to **840 stores** nationwide with a gross revenue of **\$4.6 Billion**. Total number of **employees** is about **32,000** and the average store size is 55,000 SF.



WEBSITE
WWW.HOBBYLOBBY.COM



OWNERSHIP
PRIVATE – FOUNDED BY
DAVID GREEN CEO



MARKET CAPITALIZATION
N/A – PRIVATELY HELD



EMPLOYEES
32,00 (2018)



FOUNDED
1972



CREDIT RATING
WHILE THEY ARE NOT CURRENTLY RATED,
THEY ARE UNIVERSALLY REGARDED AS A
STRONG COMPANY AND TENANT



REVENUE
4.6 BILLION (2018)



HEADQUARTERS
OKLAHOMA CITY



LOCATIONS
840+ NATIONWIDE / AVG.
STORE SIZE 55,000 SF



Tenant Profiles (Continued)



Tenant Size
43,442 SF

Initial Term
June, 2018 – May 2038

Options
4 X 5 Years

Rate
\$13.27/SF

Annual
\$576,475

Epic Theaters

Epic Theaters is dedicated to providing the ultimate movie going experience in well maintained state-of-the-art theatres. Founded in 2003, the company is privately held and is operated by third and fourth generation movie theater operators whose family built their first theatre in 1947. Headquartered in Orlando Florida, Epic Theaters operates **132 screens at 11 sites**. The company has embarked on an expansion program with plans to add more than **60 screens at 5 new sites starting in 2019**. EPIC's newest facility is the new Titus Landing Shopping Center on U.S. 1.



WEBSITE
WWW.EPICTHEATRES.COM



OWNERSHIP
PRIVATELY HELD



MARKET CAPITALIZATION
N/A



EMPLOYEES
N/A



FOUNDED
2003



CREDIT RATING
WHILE THEY ARE NOT CURRENTLY RATED, THEY ARE UNIVERSALLY REGARDED AS A STRONG TENANT.



REVENUE
N/A



HEADQUARTERS
ORLANDO, FLORIDA



LOCATIONS
11 +5 NEW SITES

Tenant Profiles (Continued)



Tenant Size
40,250 SF

Initial Term
Sept, 2018 – April 2027

Options
6 X 5 Years

Rate
\$8.05/SF

Annual
\$324,013

Bealls, Inc.

Beall's, Inc. is a privately held clothing company, rich in tradition and still owned by the founding family. It is the preferred outlet for those seeking to live the Florida lifestyle. Founded in 1915, Beall's has grown to over **530 stores across the Sunbelt** with **70 stores in Florida** and several websites - at beallsflorida.com, burkesoutlet.com and bunulu.com. Bealls Stores and BeallsFlorida.com, are owned and operated by Beall's Stores, Inc. and Beall's Westgate Corporation. The Company is **debt-free** and has gross revenues over **\$1 Billion**. The organization continue to **actively enter new markets**.



WEBSITE
WWW.BEALLSFLORIDA.COM,
WWW.BEALLSINC.COM,
WWW.BURKESOUTLET.COM



OWNERSHIP
BEALL FAMILY



MARKET CAPITALIZATION
N/A – PRIVATELY HELD



EMPLOYEES
N/A



FOUNDED
1915



CREDIT RATING
WHILE THEY ARE NOT CURRENTLY RATED,
THEY ARE UNIVERSALLY REGARDED AS A
STRONG TENANT.



REVENUE
\$1BILLION +



HEADQUARTERS
BRADENTON, FLORIDA



LOCATIONS
530+



Tenant Profiles (Continued)

Pet Supermarket

Tenant Size
7,520 SF

Initial Term
August, 2017 – Jan 2021

Options
2 X 5 Years

Rate
\$14.50/SF

Annual
\$109,040

Pet Supermarket, Inc.

Pet Supermarket, Inc. is a privately held company that operates in the Pet Care and Pet Food industries. Founded in 1973 by Charles West. Pet Supermarket, Inc. is headquartered in Fort Lauderdale, Florida and was formerly known as Pet Circus.

The Company sells more than 10,000 pet care products, including food, toys, medicine, and clothing, offers vaccination and sells small animals such as hamsters, guinea pigs, rabbits and tropical fish. The Company operates about **200 stores** in a dozen states with an estimated gross **revenue of \$566 Million**.



WEBSITE
WWW.PETSUPERMARKET.COM



OWNERSHIP
PRIVATELY HELD



MARKET CAPITALIZATION
N/A – PRIVATELY HELD



EMPLOYEES
2,000+



FOUNDED
1973



CREDIT RATING
WHILE THEY ARE NOT CURRENTLY RATED, THEY ARE UNIVERSALLY REGARDED AS A STRONG TENANT.



REVENUE
\$566 MILLION (ESTIMATED)



HEADQUARTERS
FORT LAUDERDALE, FLORIDA



LOCATIONS
200+ STORES IN 12 STATES

Tenant Profiles (Continued)



Tenant Size
10,000 SF

Initial Term
April, 2018 – March 2023

Options
3 X 5 Years

Rate
\$12.50/SF

Annual
\$125,000

Ulta Beauty

Since opening its first store in 1990, Ulta Beauty has become the largest retailer of high-end beauty destination cosmetics, fragrance, skin and hair care products and salon services in the United States. The sale of over **25,000 products** from approximately 500 beauty brands produced a total **\$6.8 Billion revenue** in 2018. The Company's 'Winning Together' formula of putting customers and store associates at the center of operation resulted in a strong 8% year over year sales growth. With **1,213 stores nationwide** and a **\$14 Billion market capitalization** on **NASDAQ**, Ulta Beauty is one of the fastest growing companies in the United States.



WEBSITE
WWW.ULTA.COM



OWNERSHIP
NASDAQ ULTA



MARKET CAPITALIZATION
\$14 BILLION



EMPLOYEES
45,000



FOUNDED
1990



CREDIT RATING
WHILE THEY ARE NOT CURRENTLY RATED, THEY ARE UNIVERSALLY REGARDED AS A STRONG TENANT.



REVENUE
\$6.8 BILLION (2018)



HEADQUARTERS
BOLINGBROOK, IL



LOCATIONS
1,241 STORES / 50 STATES / AVG SIZE:
10,000 SF



Tenant Profiles (Continued)



Tenant Size
10,000 SF

Initial Term
May, 2019 – May 2026

Options
2 X 3 Years

Rate
\$20.80/SF

Annual
\$208,000

Harley Davidson

Harley-Davidson, Inc. manufactures and sells custom, cruiser, and touring motorcycles. Founded in 1903 in Milwaukee, Wisconsin the company operates in two segments, Motorcycles Products and Financial Services. The Motorcycles division operates about **1,500 dealers worldwide**.

The Financial Services segment provides wholesale and retail financing services to motorcycles, parts and accessories; point-of-sale insurance and extended maintenance protections and licenses the Harley-Davidson brand to third-party financial institutions. The two divisions together are responsible for **\$5.7 Billion gross revenues** in 2018 and a **\$5.7 Billion market capitalization** on the New York Stock Exchange.



WEBSITE
WWW.HARLEY-DAVIDSON.COM



OWNERSHIP
NYSE: HOG



MARKET CAPITALIZATION
\$5.9 BILLION



EMPLOYEES
5,900



FOUNDED
1903



CREDIT RATING
BAA1 (MOODEY'S)



REVENUE
\$5.7 BILLION (2018)



HEADQUARTERS
MILWAUKEE, WISCONSIN



LOCATIONS
1,500 + DEALERSHIPS WORLDWIDE

Tenant Profiles (Continued)

Tuesday Morning 

Tenant Size
12,000 SF

Initial Term
August, 2018 – Jan 2024

Options
5 X 5 Years

Rate
\$12.50/SF

Annual
\$150,000

Tuesday Morning

Tuesday Morning Corporation is an off-price retailer that specializes in selling discounted, upscale home accessories, housewares, seasonal goods and brand name gifts. The Company offers products in a range of categories, such as home decor, furniture, bed and bath, kitchen, toys, crafts, pets and seasonal goods and sells brand name merchandises made around the world. The Company operates **751 stores** in upper middle-class suburban markets in **40 states** with over **\$1 Billion** yearly revenue. It is publicly traded on the **NASDAQ**.



WEBSITE
WWW.TUESDAYMORNING.COM



OWNERSHIP
NASDAQ: TUES



MARKET CAPITALIZATION
\$87.4 M



EMPLOYEES
1,860



FOUNDED
1974



CREDIT RATING
C – MODERATE RISK



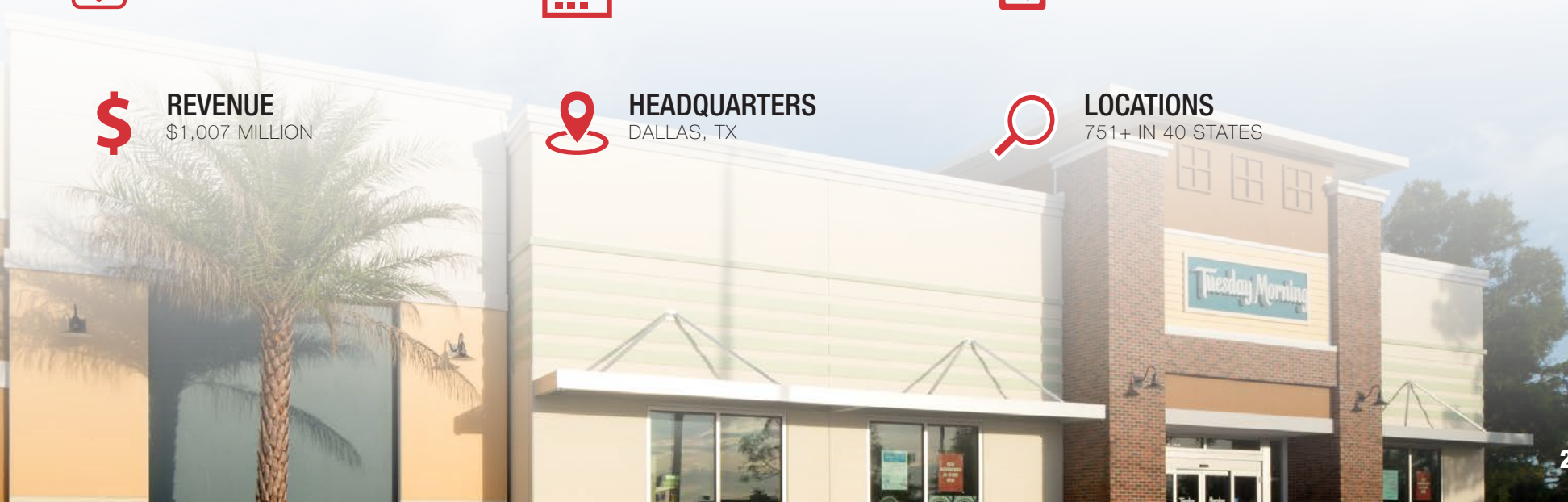
REVENUE
\$1,007 MILLION



HEADQUARTERS
DALLAS, TX



LOCATIONS
751+ IN 40 STATES





TITUSVILLE
FLORIDA

FINANCIAL
OVERVIEW



Rent Roll

Tenant Name	Suite	Tenant Size	% of Property	Terms (Yrs)	Lease	Lease Dates		Rental Rates					Reimbursement		
						Begin	End	Monthly	PSF	Annual	PSF	Escalation			
Core Tenants															
Hobby Lobby	Anchor G	55,000	23.5%	15	Contract	Oct, 2016	Sep, 2021	\$28,646	\$0.52	\$343,750	\$6.25	-	Taxes, Insurance + CAM capped at \$1/SF with Yearly Increases.		
						Oct, 2021	Sep, 2026	\$30,938	\$0.56	\$371,250	\$6.75	8.00%			
						Oct, 2026	Sep, 2031	\$32,083	\$0.58	\$385,000	\$7.00	3.70%			
						5	Option 1	Oct, 2031	Sep, 2036	\$33,229	\$0.60	\$398,750		\$7.25	3.57%
						5	Option 2	Oct, 2036	Sep, 2041	\$34,375	\$0.63	\$412,500		\$7.50	3.45%
5	Option 3	Oct, 2041	Sep, 2046	\$35,521	\$0.65	\$426,250	\$7.75	3.33%							
Epic Theater	Anchor E	43,442	18.5%	20	Contract	Jun, 2018	Nov, 2018	-	-	-	-	-	Taxes, Insurance + CAM Capped at \$0.5/SF with 3% Yearly Increases.		
						Dec, 2018	May, 2023	\$48,040	\$1.11	\$576,475	\$13.27	-			
						Jun, 2023	May, 2028	\$49,777	\$1.15	\$597,328	\$13.75	3.62%			
						Jun, 2028	May, 2033	\$51,587	\$1.19	\$619,049	\$14.25	3.64%			
						Jun, 2033	May, 2038	\$53,397	\$1.23	\$640,770	\$14.75	3.51%			
						5	Option 1	Jun, 2038	May, 2043	\$55,208	\$1.27	\$662,491		\$15.25	3.39%
						5	Option 2	Jun, 2043	May, 2048	\$57,018	\$1.31	\$684,212		\$15.75	3.28%
5	Option 3	Jun, 2048	May, 2053	\$58,828	\$1.35	\$705,933	\$16.25	3.17%							
5	Option 4	Jun, 2053	May, 2058	\$60,638	\$1.40	\$727,654	\$16.75	3.08%							
Balls	Anchor B	40,250	17.2%	10	Contract	Sep, 2018	Apr, 2027	\$27,001	\$0.67	\$324,013	\$8.05	-	NNN - capped at \$2.5/SF with 3% Yearly Increases.		
						5	Option 1	May, 2027	Apr, 2032	\$27,811	\$0.69	\$333,733		\$8.29	3.00%
						5	Option 2	May, 2032	Apr, 2037	\$28,645	\$0.71	\$343,745		\$8.54	3.00%
						5	Option 3	May, 2037	Apr, 2042	\$29,505	\$0.73	\$354,057		\$8.80	3.00%
						5	Option 4	May, 2042	Apr, 2047	\$30,390	\$0.76	\$364,679		\$9.06	3.00%
						5	Option 5	May, 2047	Apr, 2052	\$31,302	\$0.78	\$375,619		\$9.33	3.00%
5	Option 6	May, 2052	Apr, 2057	\$32,241	\$0.80	\$386,888	\$9.61	3.00%							
Tuesday Morning	Anchor A	12,000	5.1%	10	Contract	Aug, 2018	Jan, 2024	\$12,500	\$1.04	\$150,000	\$12.50	-	NNN		
						5	Option 1	Feb, 2024	Jan, 2028	\$13,500	\$1.13	\$162,000		\$13.50	8.00%
						5	Option 2	Feb, 2028	Jan, 2033	\$14,500	\$1.21	\$174,000		\$14.50	7.41%
						5	Option 3	Feb, 2033	Jan, 2038	\$15,500	\$1.29	\$186,000		\$15.50	6.90%
						5	Option 4	Feb, 2038	Jan, 2043	\$16,500	\$1.38	\$198,000		\$16.50	6.45%
						5	Option 5	Feb, 2043	Jan, 2048	\$17,500	\$1.46	\$210,000		\$17.50	6.06%

Rent Roll (Continued)

Tenant Name	Suite	Tenant Size	% of Property	Terms (Yrs)	Lease	Lease Dates		Rental Rates					Reimbursement		
						Begin	End	Monthly	PSF	Annual	PSF	Escalation			
Ulta	Anchor C	10,000	4.3%	10	Contract	Apr, 2018	Mar, 2019	\$10,417	\$1.04	\$125,000	\$12.50	-	NNN - No Management Fee. 5% Rent Over 2,500,000 Sales.		
						Apr, 2019	Mar, 2020	\$11,707	\$1.17	\$140,482	\$14.05				
						Apr, 2020	Mar, 2021	\$12,083	\$1.21	\$145,000	\$14.50				
						Apr, 2021	Mar, 2023	\$12,500	\$1.25	\$150,000	\$15.00				
						Apr, 2023	Mar, 2028	\$13,750	\$1.38	\$165,000	\$16.50	32.00%			
						5	Option 1	Apr, 2028	Mar, 2033	\$15,125	\$1.51	\$181,500		\$18.15	10.00%
						5	Option 2	Apr, 2034	Mar, 2038	\$16,650	\$1.67	\$199,800		\$19.98	10.00%
5	Option 3	Apr, 2038	Mar, 2043	\$18,292	\$1.83	\$219,500	\$21.95	10.00%							
Harley Davidson	Anchor D	10,000	4.3%	8	Contract	May, 2019	May, 2020	\$16,908	\$1.69	\$202,900	\$20.29	-	NNN		
						Jun, 2020	May, 2021	\$17,333	\$1.73	\$208,000	\$20.80	2.50%			
						Jun, 2021	May, 2022	\$17,767	\$1.78	\$213,200	\$21.32	2.50%			
						Jun, 2022	May, 2023	\$18,208	\$1.82	\$218,500	\$21.85	2.50%			
						Jun, 2023	May, 2024	\$18,667	\$1.87	\$224,000	\$22.40	2.50%			
						Jun, 2024	May, 2025	\$19,133	\$1.91	\$229,600	\$22.96	2.50%			
						Jun, 2025	May, 2026	\$19,600	\$1.96	\$235,200	\$23.52	2.50%			
						3	Option 1	Jun, 2026	May, 2027	\$20,100	\$2.01	\$241,200		\$24.12	2.50%
								Jun, 2027	May, 2028	\$20,600	\$2.06	\$247,200		\$24.72	2.50%
								Jun, 2028	May, 2029	\$21,117	\$2.11	\$253,400		\$25.34	2.50%
						3	Option 2	Jun, 2029	May, 2030	\$21,642	\$2.16	\$259,700		\$25.97	2.50%
		Jun, 2030	May, 2031	\$22,183	\$2.22	\$266,200	\$26.62	2.50%							
		Jun, 2031	May, 2032	\$22,742	\$2.27	\$272,900	\$27.29	2.50%							
Pet Supermarket	Anchor F	7,520	3.2%	5	Contract	Aug, 2017	Jan, 2021	\$9,087	\$1.21	\$109,040	\$14.50	-	NNN - Net of Property Management and Admin Fee.		
						5	Option 1	Feb, 2021	Jan, 2026	\$9,651	\$1.28	\$115,808		\$15.40	6.21%
						5	Option 2	Feb, 2026	Jan, 2031	\$10,616	\$1.41	\$127,389		\$16.94	10.00%
Retail Tenants															
Rack Room	Retail K	4,990	2.1%	5	Contract	Mar, 2018	Mar, 2020	\$7,980	\$1.60	\$95,758.10	\$19.19	-	NNN - 7% Percentage Rent Above \$1,1650,000. 7% Over \$1,237,000 in Option 1. 7% over \$1,383,000 in Option 2.		
						Apr, 2020	Mar, 2021	\$6,773	\$1.36	\$81,280.00	\$16.29	-15.12%			
						Apr, 2020	Jul, 2023	\$6,985	\$1.40	\$83,820.00	\$16.80	3.13%			
						5	Option 1	Aug, 2023	Jul, 2028	\$7,197	\$1.44	\$86,360.00		\$17.31	3.00%
						5	Option 2	Aug, 2028	Jul, 2033	\$8,043	\$1.61	\$96,520.00		\$19.34	11.76%



Rent Roll (Continued)

Tenant Name	Suite	Tenant Size	% of Property	Terms (Yrs)	Lease	Lease Dates		Rental Rates						
						Begin	End	Monthly	PSF	Annual	PSF	Escalation	Reimbursement	
Salsa	Restaurant B	4,153	1.8%	10	Contract	Aug, 2019	Jul, 2021	\$8,652	\$2.08	\$103,825	\$25.00	-	NNN	
						Aug, 2021	Jul, 2022	\$8,912	\$2.15	\$106,940	\$25.75	3.00%		
						Aug, 2022	Jul, 2023	\$9,178	\$2.21	\$110,138	\$26.52	3.00%		
						Aug, 2023	Jul, 2024	\$9,455	\$2.28	\$113,460	\$27.32	3.00%		
						Aug, 2024	Jul, 2025	\$9,739	\$2.35	\$116,865	\$28.14	3.00%		
						Aug, 2025	Jul, 2026	\$10,029	\$2.42	\$120,354	\$28.98	3.00%		
						Aug, 2026	Jul, 2027	\$10,331	\$2.49	\$123,967	\$29.85	3.00%		
						Aug, 2027	Jul, 2028	\$10,642	\$2.56	\$127,705	\$30.75	3.00%		
						Aug, 2028	Jul, 2029	\$10,960	\$2.64	\$131,526	\$31.67	3.00%		
Coldwell Banker	Retail A2 - A3	2,400	1.0%	10	Contract	Nov, 2017	Jan, 2018	\$0	\$0.00	\$0	\$0.00	-	NNN	
						Feb, 2018	Oct, 2020	\$4,100	\$1.71	\$49,200	\$20.50	-		
						Nov, 2020	Oct, 2021	\$4,203	\$1.75	\$50,430	\$21.01	2.50%		
						Nov, 2021	Oct, 2022	\$4,308	\$1.79	\$51,691	\$21.54	2.50%		
						Nov, 2022	Oct, 2023	\$4,415	\$1.84	\$52,983	\$22.08	2.50%		
						Nov, 2023	Oct, 2024	\$4,526	\$1.89	\$54,308	\$22.63	2.50%		
						Nov, 2024	Oct, 2025	\$4,639	\$1.93	\$55,665	\$23.19	2.50%		
						Nov, 2025	Oct, 2026	\$4,755	\$1.98	\$57,057	\$23.77	2.50%		
						Nov, 2026	Oct, 2027	\$4,874	\$2.03	\$58,483	\$24.37	2.50%		
						5	Option 1	Nov, 2027	Oct, 2028	\$4,995	\$2.08	\$59,945	\$24.98	2.50%
								Nov, 2028	Oct, 2029	\$5,120	\$2.13	\$61,444	\$25.60	2.50%
								Nov, 2029	Oct, 2030	\$5,248	\$2.19	\$62,980	\$26.24	2.50%
								Nov, 2030	Oct, 2031	\$5,380	\$2.24	\$64,555	\$26.90	2.50%
								Nov, 2031	Oct, 2032	\$5,514	\$2.30	\$66,169	\$27.57	2.50%
						5	Option 2	Nov, 2032	Oct, 2033	\$5,652	\$2.35	\$67,823	\$28.26	2.50%
								Nov, 2033	Oct, 2034	\$5,793	\$2.41	\$69,518	\$28.97	2.50%
								Nov, 2034	Oct, 2035	\$5,938	\$2.47	\$71,256	\$29.69	2.50%
		Nov, 2035	Oct, 2036	\$6,086	\$2.54	\$73,038	\$30.43	2.50%						
		Nov, 2026	Oct, 2027	\$6,239	\$2.60	\$74,864	\$31.19	2.50%						

Rent Roll (Continued)

Tenant Name	Suite	Tenant Size	% of Property	Terms (Yrs)	Lease	Lease Dates		Rental Rates							
						Begin	End	Monthly	PSF	Annual	PSF	Escalation	Reimbursement		
Wayback Burgers	Restaurant J2	2,120	0.9%	10	Contract	Jan, 2018	Dec, 2019	\$4,145	\$1.96	\$49,735	\$23.46	-	NNN		
						Jan, 2020	Dec, 2021	\$4,314	\$2.04	\$51,770	\$24.42	4.09%			
						Jan, 2022	Dec, 2024	\$4,484	\$2.12	\$53,806	\$25.38	3.93%			
						Jan, 2025	Dec, 2026	\$4,652	\$2.19	\$55,820	\$26.33	3.75%			
						5	Option 1	Jan, 2027	Dec, 2027	\$4,768	\$2.25	\$57,219		\$26.99	2.50%
								Jan, 2028	Dec, 2028	\$4,887	\$2.31	\$58,639		\$27.66	2.50%
								Jan, 2029	Dec, 2029	\$5,009	\$2.36	\$60,102		\$28.35	2.50%
								Jan, 2030	Dec, 2030	\$5,134	\$2.42	\$61,607		\$29.06	2.50%
								Jan, 2031	Dec, 2031	\$5,263	\$2.48	\$63,155		\$29.79	2.50%
						5	Option 2	Jan, 2032	Dec, 2032	\$5,394	\$2.54	\$64,724		\$30.53	2.50%
								Jan, 2033	Dec, 2033	\$5,530	\$2.61	\$66,356		\$31.30	2.50%
								Jan, 2034	Dec, 2034	\$5,667	\$2.67	\$68,010		\$32.08	2.50%
								Jan, 2035	Dec, 2035	\$5,809	\$2.74	\$69,706		\$32.88	2.50%
Jan, 2036	Dec, 2036	\$5,954	\$2.81	\$71,444	\$33.70			2.50%							
LeCrave	Restaurant D1	2,023	0.9%	5	Contract	Apr, 2019	Apr, 2024	\$3,540	\$1.75	\$42,483	\$21.00	-	NNN + 3 % Rent Over Natural Breakpoint		
						5	Option 1	May, 2024	Apr, 2026	\$3,372	\$1.67	\$40,460		\$20.00	-4.76%
								May, 2026	Apr, 2027	\$3,422	\$1.69	\$41,067		\$20.30	1.50%
								May, 2027	Apr, 2028	\$3,474	\$1.72	\$41,683		\$20.60	1.50%
								May, 2028	Apr, 2029	\$3,526	\$1.74	\$42,308		\$20.91	1.50%
Dunkin Donuts	Restaurant F	2,000	0.9%	10	Contract	May, 2017	Apr, 2022	\$7,333	\$3.67	\$88,000	\$44.00	-			
						May, 2022	Apr, 2027	\$8,067	\$4.03	\$96,800	\$48.40	10.00%			
						5	Option 1	May, 2027	Apr, 2032	\$8,873	\$4.44	\$106,480		\$53.24	10.00%
								May, 2032	Apr, 2037	\$9,761	\$4.88	\$117,128		\$58.56	10.00%
								May, 2037	Apr, 2042	\$10,737	\$5.37	\$128,841		\$64.42	10.00%
Lee's Nails	Retail B1	1,934	0.8%	10	Contract	Oct, 2017	Sep, 2018	\$3,385	\$1.75	\$40,614	\$21.00	-	NNN / + 3 % Rent Over Natural Breakpoint		
						Oct, 2018	Sep, 2019	\$3,486	\$1.80	\$41,832	\$21.63	3.00%			
						Oct, 2019	Sep, 2020	\$3,591	\$1.86	\$43,087	\$22.28	3.00%			
						Oct, 2020	Sep, 2021	\$3,698	\$1.91	\$44,380	\$22.95	3.00%			
						Oct, 2021	Sep, 2022	\$3,809	\$1.97	\$45,711	\$23.64	3.00%			
						Oct, 2022	Sep, 2023	\$3,924	\$2.03	\$47,083	\$24.34	3.00%			
						Oct, 2023	Sep, 2024	\$4,041	\$2.09	\$48,495	\$25.08	3.00%			
						Oct, 2024	Sep, 2025	\$4,163	\$2.15	\$49,950	\$25.83	3.00%			
						Oct, 2025	Sep, 2026	\$4,287	\$2.22	\$51,449	\$26.60	3.00%			
						Oct, 2026	Sep, 2027	\$4,416	\$2.28	\$52,992	\$27.40	3.00%			



Rent Roll (Continued)

Tenant Name	Suite	Tenant Size	% of Property	Terms (Yrs)	Lease	Lease Dates		Rental Rates						
						Begin	End	Monthly	PSF	Annual	PSF	Escalation	Reimbursement	
ATT	Retail H	1,800	0.8%	5	Contract	Aug, 2017	Jul, 2018	\$3,450	\$1.92	\$41,400	\$23.00	-	NNN	
						Aug, 2018	Jul, 2019	\$3,519	\$1.96	\$42,228	\$23.46	2.00%		
						Aug, 2019	Jul, 2020	\$3,589	\$1.99	\$43,073	\$23.93	2.00%		
						Aug, 2020	Jul, 2021	\$3,661	\$2.03	\$43,934	\$24.41	2.00%		
						Aug, 2021	Jul, 2022	\$3,734	\$2.07	\$44,813	\$24.90	2.00%		
						Option 1	Aug, 2022	Jul, 2023	\$3,809	\$2.12	\$45,709	\$25.39	2.00%	
						Aug, 2023	Jul, 2024	\$3,885	\$2.16	\$46,623	\$25.90	2.00%		
						Aug, 2024	Jul, 2025	\$3,963	\$2.20	\$47,556	\$26.42	2.00%		
						Aug, 2025	Jul, 2026	\$4,042	\$2.25	\$48,507	\$26.95	2.00%		
						Aug, 2026	Jul, 2027	\$4,123	\$2.29	\$49,477	\$27.49	2.00%		
						Option 2	Aug, 2027	Jul, 2028	\$4,206	\$2.34	\$50,466	\$28.04	2.00%	
						Aug, 2028	Jul, 2029	\$4,290	\$2.38	\$51,476	\$28.60	2.00%		
						Aug, 2029	Jul, 2030	\$4,375	\$2.43	\$52,505	\$29.17	2.00%		
						Aug, 2030	Jul, 2031	\$4,463	\$2.48	\$53,555	\$29.75	2.00%		
Aug, 2031	Jul, 2032	\$4,552	\$2.53	\$54,626	\$30.35	2.00%								
Firehouse Subs	Restaurant B5	1,800	0.8%	5	Contract	Oct, 2017	Sep, 2022	\$3,075	\$1.71	\$36,900	\$20.50	-	NNN + 3% Rent Over	
						Option 1	Oct, 2022	Sep, 2027	\$3,152	\$1.75	\$37,823	\$21.01	2.50%	\$1,230,000
						Option 2	Oct, 2027	Sep, 2032	\$3,231	\$1.79	\$38,768	\$21.54	2.50%	
Eye Optical Outlet	Retail A4/A5a	1,800	0.8%	5	Contract	Oct, 2018	Nov, 2018	-	-	-	-	-	NNN	
						Nov, 2018	Nov, 2019	\$3,300	\$1.83	\$39,600	\$22.00	-		
						Dec, 2019	Nov, 2020	\$3,395	\$1.89	\$40,734	\$22.63	2.86%		
						Dec, 2020	Nov, 2021	\$3,492	\$1.94	\$41,904	\$23.28	2.87%		
						Dec, 2021	Nov, 2022	\$3,593	\$2.00	\$43,110	\$23.95	2.88%		
						Dec, 2022	Nov, 2023	\$3,696	\$2.05	\$44,352	\$24.64	2.88%		
						Option 1	Dec, 2023	Nov, 2024	\$4,260	\$2.37	\$51,120	\$28.40	15.26%	
						Dec, 2024	Nov, 2025	\$4,388	\$2.44	\$52,650	\$29.25	3.00%		
						Dec, 2025	Nov, 2026	\$4,520	\$2.51	\$54,234	\$30.13	3.00%		
						Dec, 2026	Nov, 2027	\$4,695	\$2.61	\$56,340	\$31.30	3.88%		
Dec, 2027	Nov, 2028	\$4,794	\$2.66	\$57,528	\$31.96	2.11%								

Rent Roll (Continued)

Tenant Name	Suite	Tenant Size	% of Property	Terms (Yrs)	Lease	Lease Dates		Rental Rates					Reimbursement
						Begin	End	Monthly	PSF	Annual	PSF	Escalation	
Amazing Jewelry	Retail B3	1,200	0.5%	5	Contract	May, 2018	Aug, 2018	-	-	-	-	-	NNN + 2% Rent Over \$740,000
						Sep, 2018	Apr, 2023	\$1,800	\$1.50	\$21,600	\$18.00	-	
				5	Option 1	May, 2023	Apr, 2024	\$1,827	\$1.52	\$21,924	\$18.27	1.50%	
				May, 2024	Apr, 2025	\$1,854	\$1.55	\$22,253	\$18.54	1.50%			
				May, 2025	Apr, 2025	\$1,882	\$1.57	\$22,587	\$18.82	1.50%			
				May, 2026	Apr, 2027	\$1,910	\$1.59	\$22,925	\$19.10	1.50%			
					May, 2027	Apr, 2028	\$1,939	\$1.62	\$23,269	\$19.39	1.50%		
Decker Hair Salon	Retail B2	1,200	0.5%	5	Contract	Jun, 2018	Jun, 2019	\$1,900	\$1.58	\$22,800	\$19.00	-	NNN + 2% Rent Over Natural Breakpoint
						Jul, 2019	Jun, 2020	\$1,948	\$1.62	\$23,376	\$19.48	2.50%	
						Jul, 2020	Jun, 2021	\$1,997	\$1.66	\$23,964	\$19.97	2.50%	
						Jul, 2021	Jun, 2022	\$2,047	\$1.71	\$24,564	\$20.47	2.50%	
						Jul, 2022	Jun, 2023	\$2,098	\$1.75	\$25,176	\$20.98	2.50%	
E Smoker	Retail B4	1,200	0.5%	5	Contract	Jul, 2017	Jun, 2022	\$1,800	\$1.50	\$21,600	\$18.00	-	NNN + 2% Rent Over \$1,020,850
						5	Option 1	Oct, 2022	Sep, 2027	\$1,845	\$1.54	\$22,140	
				5	Option 2	Oct, 2027	Sep, 2032	\$1,891	\$1.58	\$22,694	\$18.91	2.50%	
Titus Landing Pizza	Restaurant A1	1,200	0.5%	10	Contract	Sep, 2017	Feb, 2018	-	-	-	-	-	NNN
						Feb, 2018	Aug, 2018	\$1,850	\$1.54	\$22,200	\$18.50	-	
						Sep, 2018	Aug, 2019	\$1,896	\$1.58	\$22,752	\$18.96	2.50%	
						Sep, 2019	Aug, 2020	\$1,907	\$1.59	\$22,884	\$19.07	0.58%	
						Sep, 2020	Aug, 2021	\$1,955	\$1.63	\$23,460	\$19.55	2.50%	
						Sep, 2021	Aug, 2022	\$2,004	\$1.67	\$24,048	\$20.04	2.50%	
						Sep, 2022	Aug, 2023	\$2,054	\$1.71	\$24,648	\$20.54	2.50%	
						Sep, 2023	Aug, 2024	\$2,105	\$1.75	\$25,260	\$21.05	2.50%	
						Sep, 2024	Aug, 2025	\$2,158	\$1.80	\$25,896	\$21.58	2.50%	
Sep, 2025	Aug, 2026	\$2,212	\$1.84	\$26,544	\$22.12	2.50%							
					Sep, 2026	Aug, 2027	\$2,267	\$1.89	\$27,204	\$22.67	2.50%		



Rent Roll (Continued)

Tenant Name	Suite	Tenant Size	% of Property	Terms (Yrs)	Lease	Lease Dates		Rental Rates					
						Begin	End	Monthly	PSF	Annual	PSF	Escalation	Reimbursement
				5	Option 1	Sep, 2027	Aug, 2028	\$2,324	\$1.94	\$27,884	\$23.24	2.50%	
						Sep, 2028	Aug, 2029	\$2,382	\$1.98	\$28,581	\$23.82	2.50%	
						Sep, 2029	Aug, 2030	\$2,441	\$2.03	\$29,296	\$24.41	2.50%	
						Sep, 2030	Aug, 2031	\$2,502	\$2.09	\$30,028	\$25.02	2.50%	
						Sep, 2031	Aug, 2032	\$2,565	\$2.14	\$30,779	\$25.65	2.50%	
						Sep, 2032	Aug, 2033	\$2,629	\$2.19	\$31,548	\$26.29	2.50%	
				5	Option 2	Sep, 2033	Aug, 2034	\$2,695	\$2.25	\$32,337	\$26.95	2.50%	
						Sep, 2034	Aug, 2035	\$2,762	\$2.30	\$33,145	\$27.62	2.50%	
						Sep, 2035	Aug, 2036	\$2,831	\$2.36	\$33,974	\$28.31	2.50%	
						Sep, 2036	Aug, 2037	\$2,902	\$2.42	\$34,823	\$29.02	2.50%	
Cosmic Creamary	Restaurant M	1,200	0.5%	5	Contract	Jan, 2020	Dec, 2020	\$2,200	\$1.83	\$26,400.00	\$22.00	-	NNN
						Jan, 2021	Dec, 2021	\$2,266	\$1.89	\$27,192.00	\$22.66	3.00%	
						Jan, 2022	Dec, 2022	\$2,334	\$1.94	\$28,007.76	\$23.34	3.00%	
						Jan, 2023	Dec, 2023	\$2,404	\$2.00	\$28,847.99	\$24.04	3.00%	
				5	Option 1	Jan, 2024	Dec, 2024	\$2,476	\$2.06	\$29,713.43	\$24.76	3.00%	
						Jan, 2025	Dec, 2025	\$2,550	\$2.13	\$30,604.84	\$25.50	3.00%	
						Jan, 2026	Dec, 2026	\$2,627	\$2.19	\$31,522.98	\$26.27	3.00%	
						Jan, 2027	Dec, 2027	\$2,706	\$2.25	\$32,468.67	\$27.06	3.00%	
						Jan, 2028	Dec, 2028	\$2,787	\$2.32	\$33,442.73	\$27.87	3.00%	
						Jan, 2029	Dec, 2029	\$2,871	\$2.39	\$34,446.01	\$28.71	3.00%	
Frankie's Wings	Restaurant E1	2,900	1.2%	5	Contract	Jun, 2020	May, 2021	\$7,000	\$2.00	\$84,000	\$24.00	-	NNN
						Jun, 2021	May, 2022	\$7,000	\$2.00	\$84,000	\$24.00	-	
						Jun, 2022	May, 2023	\$7,210	\$2.06	\$86,520	\$24.72	3.00%	
						Jun, 2023	May, 2024	\$7,426	\$2.12	\$89,110	\$25.46	2.99%	
						Jun, 2024	May, 2025	\$7,648	\$2.19	\$91,770	\$26.22	2.99%	
				5	Option 1	Jun, 2025	May, 2026	\$7,875	\$2.25	\$94,500	\$27.00	2.97%	
						Jun, 2026	May, 2027	\$8,111	\$2.32	\$97,335	\$27.81	3.00%	
						Jun, 2027	May, 2028	\$8,353	\$2.39	\$100,240	\$28.64	2.98%	
						Jun, 2028	May, 2029	\$8,604	\$2.46	\$103,250	\$29.50	3.00%	
						Jun, 2029	May, 2030	\$8,864	\$2.53	\$106,365	\$30.39	3.02%	

Rent Roll (Continued)

Tenant Name	Suite	Tenant Size	% of Property	Terms (Yrs)	Lease	Lease Dates		Rental Rates					
						Begin	End	Monthly	PSF	Annual	PSF	Escalation	Reimbursement
Yuki Sushi - LOI	Restaurant J1	2,450	1.0%	10	LOI	Jun, 2020	May, 2021	\$4,390	\$1.79	\$52,675	\$21.50	-	NNN
						Jun, 2021	May, 2022	\$4,390	\$1.79	\$52,675	\$21.50	0.00%	
						Jun, 2022	May, 2023	\$4,390	\$1.79	\$52,675	\$21.50	0.00%	
						Jun, 2023	May, 2024	\$4,390	\$1.79	\$52,675	\$21.50	0.00%	
						Jun, 2024	May, 2025	\$4,390	\$1.79	\$52,675	\$21.50	0.00%	
						Jun, 2025	May, 2026	\$4,726	\$1.93	\$56,718	\$23.15	7.67%	
						Jun, 2026	May, 2027	\$4,726	\$1.93	\$56,718	\$23.15	0.00%	
						Jun, 2027	May, 2028	\$4,726	\$1.93	\$56,718	\$23.15	0.00%	
						Jun, 2028	May, 2029	\$4,726	\$1.93	\$56,718	\$23.15	0.00%	
						Jun, 2029	May, 2030	\$4,726	\$1.93	\$56,718	\$23.15	0.00%	
EATz - LOI	Restaurant A5b/A6	1,800	0.8%	5	LOI	Jun, 2020	May, 2021	\$3,300	\$1.83	\$39,600	\$21.00	-	NNN
						Jun, 2021	May, 2022	\$3,300	\$1.83	\$39,600	\$21.00	-	
						Jun, 2022	May, 2023	\$3,399	\$1.89	\$40,788	\$21.63	3.00%	
						Jun, 2023	May, 2024	\$3,501	\$1.94	\$42,012	\$22.28	3.01%	
						Jun, 2024	May, 2025	\$3,606	\$2.00	\$43,272	\$22.95	3.01%	
Vacancies													
Vacant	Retail E2	3,000	1.3%					\$5,500	\$1.83	\$66,000	\$22.00		
Vacant	Retail C	4,102	1.7%					\$8,033	\$1.96	\$96,397	\$23.50		
Vacant	Retail B6	1,500	0.6%					\$2,750	\$1.83	\$33,000	\$22.00		
Vacant	Retail B7	1,500	0.6%					\$2,750	\$1.83	\$33,000	\$22.00		
Vacant	Retail B8	1,500	0.6%					\$2,750	\$1.83	\$33,000	\$22.00		
Vacant	Retail A7	1,200	0.5%					\$2,350	\$1.96	\$28,200	\$23.50		
Vacant	Retail L	1,200	0.5%					\$2,350	\$1.96	\$28,200	\$23.50		
Vacant	Retail N	1,400	0.6%					\$2,683	\$1.92	\$32,200	\$23.00		
Vacant	Retail D2	2,154	0.9%					\$4,129	\$1.92	\$49,542	\$23.00		



Rent Roll (Continued)

Tenant Name	Suite	Tenant Size	% of Property	Terms (Yrs)	Lease	Lease Dates		Rental Rates				Escalation	Reimbursement
						Begin	End	Monthly	PSF	Annual	PSF		
Reimbursements													
BBT Bank - CAM Recovery Only	Bank	2,100	0.9%	10	Contract	May, 2017	Dec, 2026	-	-	-	-	N/A	NNN. Recoveris Only.
Note: Building is located in the PUD but not included in this sale. Tenant pays full CAM Expenses to the Shopping Center with Yearly Increases.													
Parrish Hospital		55,000		15	Contract	Jun, 2017	May, 2032	-		-			\$2/SF or \$110,000 CAM with Yearly Increase. Recoveries Only.
				10	Option 1	Jun, 2032	May, 2042						
				10	Option 2	Jun, 2042	May, 2052						
Note: Building is located in the PUD but not included in this sale. Tenant pays \$110,000 NNN/CAM Expenses to the Shopping Center with Yearly Increases.													
Totals / Averages		234,538 SF	100%					\$227,397	\$1.65	\$2,728,765	\$19.74	In-Place	
Occupied SF		216,982 SF	92.5%					\$261,169	\$1.72	\$3,134,022	\$20.62	Stabilizaed	
Vacant SF		17,556 SF	7.5%										
Weighted Average Lease Expiry (WALE)		9.91	Years										

Discounted Cash Flow Assumptions

GENERAL ASSUMPTIONS

Analysis Start Date	June-20
Occupancy	92.5%
Current Vacancy	7.5%

GROSS LEASABLE AREA

Occupied	216,982 SF
Available	17,556 SF
Total	234,538 SF

GROWTH / INFLATION RATES

Consumer Price Index (CPI)	3%
Market Rent	3%
Expenses	3%
Property Taxes	3%

ALLOWANCES

General Vacancy & Credit Loss	2%
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EXPENSE ASSUMPTIONS

Management Fee	2.5%
Reimbursement	New Sale Price
Reserves	\$0.12/SF
Reimbursement	NNN / Tenant Specific

SPECULATIVE IN LINE RENEWALS

Market Rent	Yearly	Term
National Credit Tenant		Options
In-Line Tenants	\$22-23.50 / SF	5 / 10 Yrs
Retention Ratio		95%
Tenant Improvement		\$10 / \$5
Leasing Commissions		5% / 2.5%

DOWNTIME BETWEEN LEASES

Vacancy Lease Up	1 Month
Rent Abatement	1 Month

RESALE

Terminal Cap Rate	7.00%
Cost of Sale	1%

LOAN

LTV	65%
Interest Rate	3.15%
Amortization	30 Yrs
Interest Only	10 Yrs





Cash Flow Forecast

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
		May-2021	May-2022	May-2023	May-2024	May-2025	May-2026	May-2027	May-2028	May-2029	May-2030	May-2031
FY 2020												
Rental Revenue	\$/SF/MO											
Potential Base Rent	1.11	3,136,709	3,191,517	3,244,379	3,319,304	3,364,919	3,416,041	3,479,045	3,541,721	3,632,086	3,676,358	3,724,299
Absorption & Turnover Vacancy	(0.02)	(43,946)	-	-	-	-	-	-	-	-	-	-
Free Rent	0.00	-	-	-	(449)	-	(136)	-	(2,536)	(1,393)	(1,239)	(13,482)
Total Rental Revenue	1.10	3,092,763	3,191,517	3,244,379	3,318,855	3,364,919	3,415,905	3,479,045	3,539,185	3,630,693	3,675,119	3,710,817
Other Tenant Revenue												
Percentage Rent	0.02	45,344	53,062	61,894	67,498	76,302	86,234	96,465	106,373	108,395	117,871	129,386
Total Expense Recoveries	0.41	1,155,841	1,200,568	1,236,294	1,273,218	1,311,021	1,349,996	1,382,858	1,438,991	1,474,430	1,518,171	1,563,890
Total Other Tenant Revenue	0.43	1,201,185	1,253,630	1,298,188	1,340,716	1,387,323	1,436,230	1,479,323	1,545,364	1,582,825	1,636,042	1,693,276
Potential Gross Revenue	1.53	4,293,948	4,445,147	4,542,567	4,659,571	4,752,242	4,852,135	4,958,368	5,084,549	5,213,518	5,311,161	5,404,093
General Vacancy & Credit Loss	-0.01	(32,642)	(78,628)	(79,539)	(81,561)	(83,275)	(85,130)	(87,238)	(89,397)	(92,004)	(93,809)	(95,513)
Effective Gross Revenue	1.51	4,261,306	4,366,519	4,463,028	4,578,010	4,668,967	4,767,005	4,871,130	4,995,152	5,121,514	5,217,352	5,308,580
Operating Expenses												
Real Estate Taxes	0.24	670,620	690,739	711,461	732,805	754,789	777,432	800,755	824,778	849,521	875,007	901,257
Insurance	0.07	189,360	195,041	200,892	206,919	213,126	219,520	226,106	232,889	239,876	247,072	254,484
Utilities	0.05	152,348	156,918	161,625	166,475	171,469	176,613	181,912	187,369	192,990	198,779	204,743
Repairs & Maintenance	0.01	28,261	29,109	29,981	30,881	31,808	32,763	33,745	34,757	35,801	36,874	37,980
Roads & Grounds	0.01	41,644	42,893	44,180	45,506	46,871	48,277	49,725	51,217	52,753	54,336	55,966
Janitorial & Cleaning	0.03	77,280	79,598	81,986	84,446	86,979	89,589	92,276	95,045	97,896	100,833	103,858
Security	0.01	25,640	26,409	27,201	28,018	28,858	29,724	30,616	31,534	32,480	33,454	34,458
Property Management Fee	0.04	106,370	109,076	111,518	114,430	116,747	119,122	121,911	124,684	128,070	130,508	132,810
Total Operating Expenses	0.46	1,291,523	1,329,783	1,368,844	1,409,480	1,450,647	1,493,040	1,537,046	1,582,273	1,629,387	1,676,863	1,725,556
Net Operating Income	1.06	2,969,783	3,036,736	3,094,184	3,168,530	3,218,320	3,273,965	3,334,084	3,412,879	3,492,127	3,540,489	3,583,024

Cash Flow Forecast (Continued)

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
		May-2021	May-2022	May-2023	May-2024	May-2025	May-2026	May-2027	May-2028	May-2029	May-2030	May-2031
Capital Cost	FY 2020											
Tenant Improvements	(0.04)	(104,540)	-	-	(7,317)	-	(7,555)	-	(22,357)	(37,265)	(69,636)	(173,072)
Leasing Commissions	(0.01)	(37,709)	-	-	(2,280)	-	(2,688)	-	(6,728)	(11,490)	(24,443)	(48,098)
Capital Reserves	(0.01)	(23,454)	(23,454)	(23,454)	(23,454)	(23,454)	(23,454)	(23,454)	(23,454)	(23,454)	(23,454)	(23,454)
Total Capital Cost	(0.06)	(165,703)	(23,454)	(23,454)	(33,051)	(23,454)	(33,697)	(23,454)	(52,539)	(72,209)	(117,533)	(244,624)
Operating Cash Flow	1.00	2,804,080	3,013,282	3,070,730	3,135,479	3,194,866	3,240,268	3,310,630	3,360,340	3,419,918	3,422,956	3,338,400
Acquisition / Residual Sale												
Acquisition	(47,000,000)	-	-	-	-	-	-	-	-	-	-	-
Net Residual Sale	-	-	-	-	-	-	-	-	-	-	50,674,197	-
Cash Flow Before Debt Service	(47,000,000)	2,804,080	3,013,282	3,070,730	3,135,479	3,194,866	3,240,268	3,310,630	3,360,340	3,419,918	54,097,153	7.36%
EOY 1 CAP RATE												6.32%
Market Loan												
Loan Funding / Payoff	30,550,000											30,550,000
Loan Fees	(305,500)											
Annual Debt Service		(947,050)	(947,050)	(947,050)	(947,050)	(947,050)	(947,050)	(947,050)	(947,050)	(947,050)	(947,050)	
Cash Flow After Debt Service	(16,755,500)	1,857,030	2,066,232	2,123,680	2,188,429	2,247,816	2,293,218	2,363,580	2,413,290	2,472,868	22,600,103	14.25%
NOI Return		6.32%	6.46%	6.58%	6.74%	6.85%	6.97%	7.09%	7.26%	7.43%	7.53%	
UNLEVERAGED Cash Return		5.97%	6.41%	6.53%	6.67%	6.80%	6.89%	7.04%	7.15%	7.28%	7.28%	
LEVERAGED Cash Return		11.08%	12.33%	12.67%	13.06%	13.42%	13.69%	14.11%	14.40%	14.76%	14.78%	
Debt Service Coverage Ratio (NOI)		3.14 x	3.21 x	3.27 x	3.35 x	3.4 x	3.46 x	3.52 x	3.6 x	3.69 x	3.74 x	
Debt Service Coverage Ratio (CF)		2.96 x	3.18 x	3.24 x	3.31 x	3.37 x	3.42 x	3.5 x	3.55 x	3.61 x	3.61 x	
Debt Yield (NOI)		9.72%	9.94%	10.13%	10.37%	10.53%	10.72%	10.91%	11.17%	11.43%	11.59%	
Debt Yield (CF)		9.18%	9.86%	10.05%	10.26%	10.46%	10.61%	10.84%	11.00%	11.19%	11.20%	
Rolling - All Cash IRR		-2.90%	2.92%	4.97%	5.79%	6.31%	6.67%	6.99%	7.21%	7.31%	7.36%	
Rolling - Leveraged IRR		-16.19%	1.24%	7.63%	10.17%	11.70%	12.67%	13.46%	13.97%	14.16%	14.25%	



NOI & Cap Rate Summary

PROJECTED NOI SUMMARY

IN PLACE

STABILIZED

Rentable Area	234,538 SF					
INCOME	\$ AMOUNT	\$/SF	% PGI	\$ AMOUNT	\$/SF	% PGI
Potential Rent	2,728,765	11.72	68.0%	3,134,022	13.24	70.6%
Percentage Rent	45,344	0.22	1.3%	45,344	0.22	1.2%
Recoveries	1,155,841	5.30	30.8%	1,155,841	5.30	28.3%
POTENTIAL GROSS INCOME ⁽¹⁾	3,929,950	17.24	100.0%	4,399,311	18.76	100.0%
OPERATING EXPENSES						
Real Estate Taxes ⁽²⁾	670,620	3.49	20.2%	670,620	3.49	18.6%
Insurance	189,360	0.81	4.7%	189,360	0.81	4.3%
Utilities	152,348	0.61	3.6%	152,348	0.61	3.3%
Repairs & Maintenance	28,261	0.16	0.9%	28,261	0.16	0.8%
Roads & Grounds	41,644	0.18	1.0%	41,644	0.18	0.9%
Janitorial & Cleaning	77,280	0.33	1.9%	77,280	0.33	1.8%
Security	25,640	0.11	0.6%	25,640	0.11	0.6%
Property Management Fee	98,249	0.43	2.5%	109,983	0.47	2.5%
Total OPEX	1,283,402	6.11	35.5%	1,295,136	6.15	32.8%
NET OPERATING INCOME	2,646,548	11.13	64.5%	3,104,175	12.61	67.2%
CAP RATE	5.63%			6.60%		
OFFERING PRICE	\$47,000,000			\$47,000,000		
OCCUPANCY	92.51%			100.00%		

Notes:

[1] In-Place Potential Gross Income is calculated using contractual rents and expense reimbursements as of January 2020.

In-Place NOI excludes currently vacant lease-up revenue potential and therefore does not use General Vacancy Loss. Future rent increases for existing tenants are also excluded.

[2] Real Estate Taxes are calculated upon reassessment based on the new sales price.

CAP RATE
SUMMARY

 **5.63%**
IN-PLACE

 **6.32%**
EOY 1

 **6.60%**
STABILIZED



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