

OFFERING MEMORANDUM



WINSTON-SALEM
NORTH CAROLINA

Dick's Sporting Goods
reports positive sales increase of 16%
for 3rdQ2018 earnings report



Marcus & Millichap



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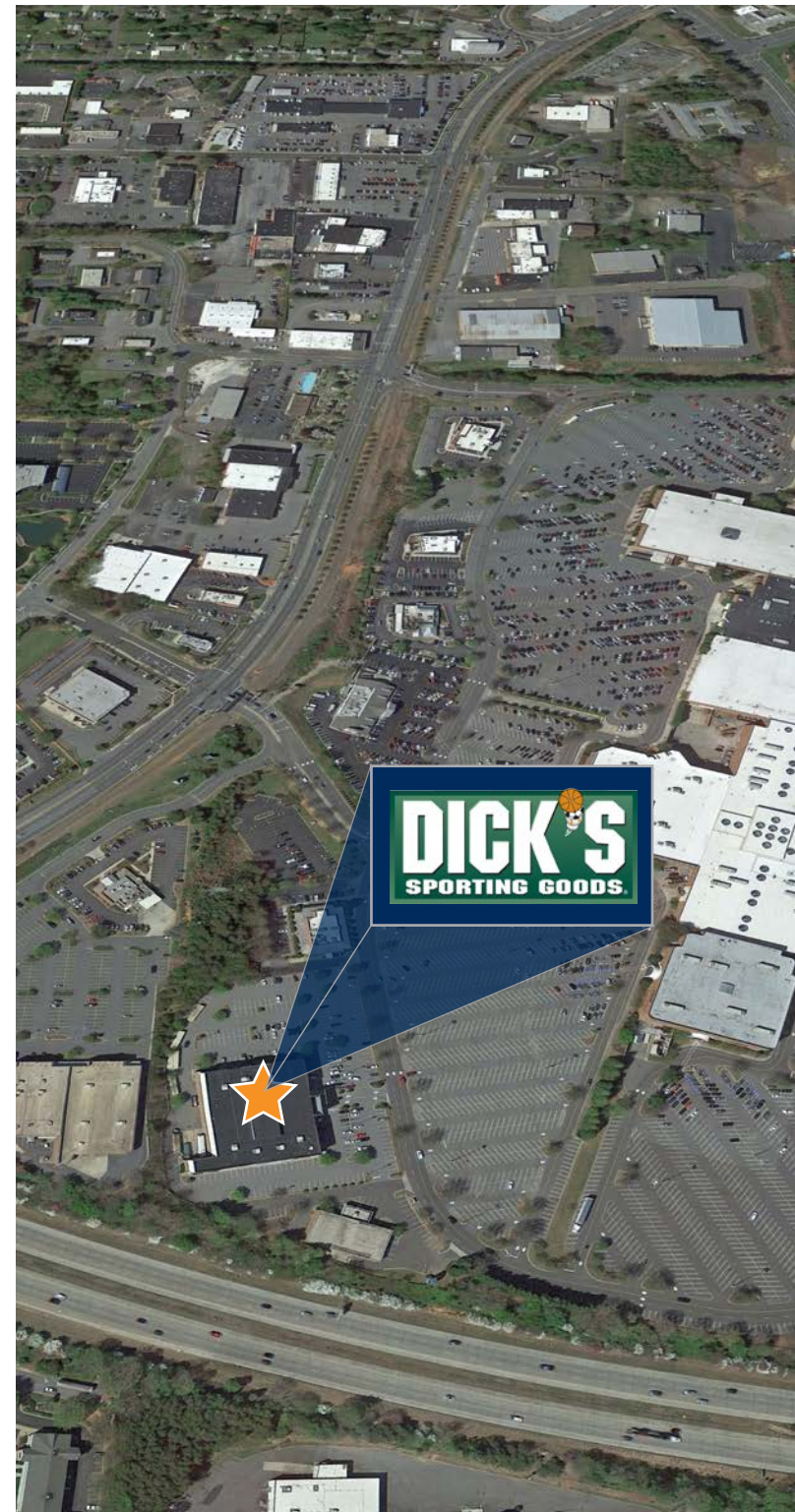


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INVESTMENT SUMMARY

164 HANES MALL CIRCLE, WINSTON-SALEM, NC 27103

PRICE: \$11,394,000

CAP: 9.50%

RENT: \$1,082,416

OVERVIEW

Price	\$11,394,000
Gross Leasable Area (GLA)	66,000 SF
Lot Size (approx)	4.44 Acres
Net Operating Income	\$1,082,416
CAP Rate	9.50%
Year Built	2006

LEASE ABSTRACT

Lease Type	Modified NNN*
Lease Term	15 Years
Lease Start	7/14/2006
Lease Expiration	1/31/2022
Renewal Options	3x5
Increases	Escalations in Option Periods
Landlord Obligation:	Roof & Structure**

ANNUALIZED OPERATING DATA

Lease Term	Annual Rent
Current - 1/31/2022	\$1,082,416
Option 1	\$1,170,470
Option 2	\$1,267,970
Option 3	\$1,370,487

* All expenses pass through to Tenant. No landlord expenses.

** Landlord is responsible for roof & structure and HVAC replacement only. Landlord is responsible for payment of Property Taxes and Tenant CAM's but is reimbursed by Tenant, and a reserve has been taken to off set any slippage associated with these fees or maintenance expenses. (See Argus run).



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INVESTMENT HIGHLIGHTS

- ◆ **\$11,394,000**
- ◆ Modified NNN Lease. Minimal Landlord Obligations with all expenses passing through to tenant.
- ◆ Outparcel to Hanes Mall (offering 1.5(mil) SF of retail), anchored by Macy's, Belk, Sear's, JC Penny and Dillard's and 200+ specialty stores.
- ◆ Highly populated region with over 145,000 residents in a 5-mile radius.
- ◆ Peace of mind investment opportunity. Corporate guaranteed lease.
- ◆ Strategically located just 5 +/- miles away from Wake Forest University and Winston-Salem State University.



150,468

TOTAL
POPULATION
WITHIN 5-MILE
RADIUS



\$73,834

AVERAGE
HOUSEHOLD
INCOME WITHIN
5-MILE RADIUS



72,000 VPD - INTERSTATE 40

32,000 VPD - STRATFORD ROAD



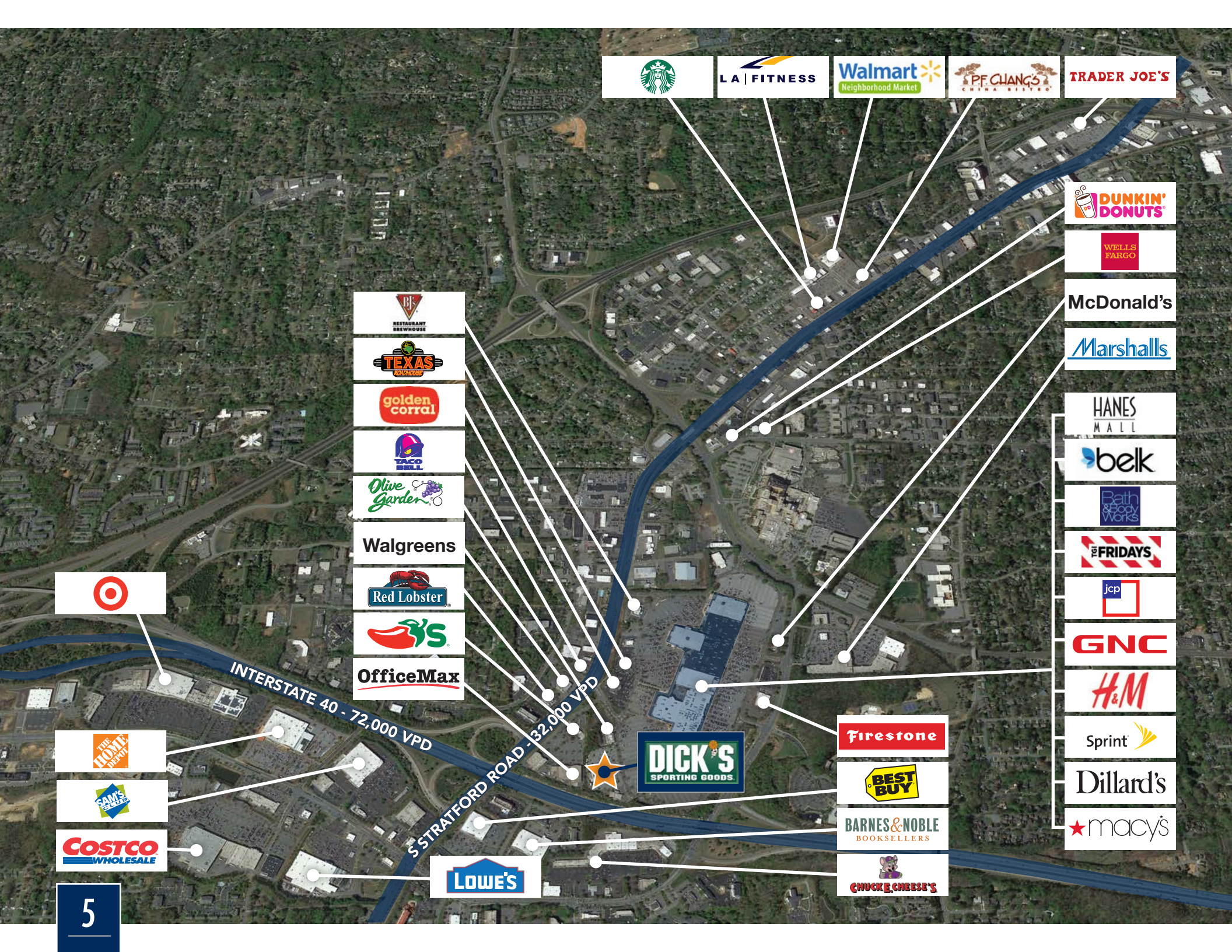


FINANCIAL SUMMARY

CASH FLOW

For the Years Ending	Year 1 Jun-2019	Year 2 Jun-2020	Year 3 Jun-2021	Year 4 Jun-2022	Year 5 Jun-2023	Year 6 Jun-2024	Year 7 Jun-2025	Year 8 Jun-2026	Year 9 Jun-2027	Year 10 Jun-2028	Year 11 Jun-2029	Total
Rental Revenue												
Scheduled Base Rent	1,089,000	1,089,000	1,089,000	1,116,500	1,155,000	1,155,000	1,155,000	1,155,000	1,182,500	1,221,000	1,221,000	12,628,000
Total Rental Revenue	1,089,000	1,089,000	1,089,000	1,116,500	1,155,000	1,155,000	1,155,000	1,155,000	1,182,500	1,221,000	1,221,000	12,628,000
Total Tenant Revenue	1,089,000	1,089,000	1,089,000	1,116,500	1,155,000	1,155,000	1,155,000	1,155,000	1,182,500	1,221,000	1,221,000	12,628,000
Other Revenue												
CAM Reimbursement	91,359	94,100	96,923	99,830	102,825	105,910	109,087	112,360	115,731	119,203	122,779	1,170,107
Tax Reimbursement	91,359	94,100	96,923	99,830	102,825	105,910	109,087	112,360	115,731	119,203	122,779	1,170,107
Total Other Revenue	182,718	188,200	193,846	199,661	205,651	211,820	218,175	224,720	231,462	238,406	245,558	2,340,215
Potential Gross Revenue	1,271,718	1,277,200	1,282,846	1,316,161	1,360,651	1,366,820	1,373,175	1,379,720	1,413,962	1,459,406	1,466,558	14,968,215
Effective Gross Revenue	1,271,718	1,277,200	1,282,846	1,316,161	1,360,651	1,366,820	1,373,175	1,379,720	1,413,962	1,459,406	1,466,558	14,968,215
Operating Expenses												
Taxes	160,202	160,202	160,202	160,202	160,202	160,202	160,202	160,202	160,202	160,202	160,202	1,762,222
Insurance	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	61,600
CAM	7,000	7,210	7,426	7,649	7,879	8,115	8,358	8,609	8,867	9,133	9,407	89,655
Total Operating Expenses	172,802	173,012	173,228	173,451	173,681	173,917	174,160	174,411	174,669	174,935	175,209	1,913,477
Net Operating Income	1,098,916	1,104,188	1,109,617	1,142,710	1,186,970	1,192,903	1,199,014	1,205,309	1,239,292	1,284,470	1,291,348	13,054,738
Capital Expenditures												
Reserves	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	181,500
Total Capital Expenditures	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	181,500
Total Leasing & Capital Costs	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	181,500
Cash Flow Before Debt Service	1,082,416	1,087,688	1,093,117	1,126,210	1,170,470	1,176,403	1,182,514	1,188,809	1,222,792	1,267,970	1,274,848	12,873,238
Cash Flow Available for Distribution	1,082,416	1,087,688	1,093,117	1,126,210	1,170,470	1,176,403	1,182,514	1,188,809	1,222,792	1,267,970	1,274,848	12,873,238





LA | FITNESS

Walmart
Neighborhood Market

PF CHANG'S
CHINA BISTRO

TRADER JOE'S

DUNKIN'
DONUTS

WELLS
FARGO

McDonald's

Marshalls

HANES
MALL

belk

Bath
& Body
Works

FRIDAYS

jcp

GNC

H&M

Sprint

Dillard's

macy's

BJ's
RESTAURANT
BREWHOUSE

TEXAS
RAVINGS

golden
corral

TACO
BELL

Olive
Garden

Walgreens

Red Lobster

Pepper
ON
THE
PLOT

OfficeMax

Target

THE
HOME
DEPOT

SAVING
PRIVATE

COSTCO
WHOLESALE

LOWE'S

DICK'S
SPORTING GOODS

Firestone

BEST
BUY

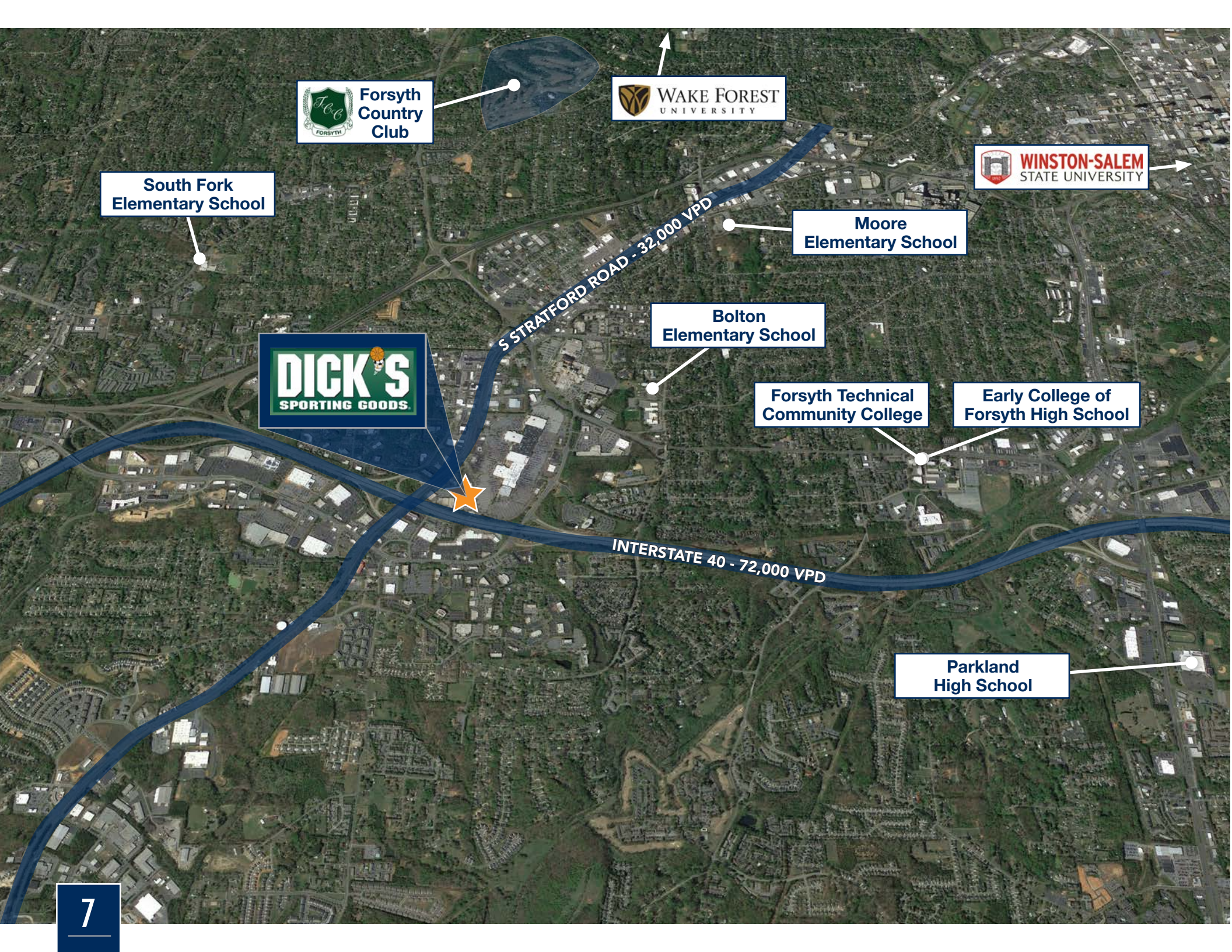
BARNES & NOBLE
BOOKSELLERS

CHUCK E. CHEESE'S

INTERSTATE 40 - 72,000 VPD

S STRATFORD ROAD - 32,000 VPD





Forsyth
Country
Club



WAKE FOREST
UNIVERSITY



WINSTON-SALEM
STATE UNIVERSITY

South Fork
Elementary School

Moore
Elementary School

Bolton
Elementary School

Forsyth Technical
Community College

Early College of
Forsyth High School

Parkland
High School



S STRATFORD ROAD - 32,000 VPD

INTERSTATE 40 - 72,000 VPD





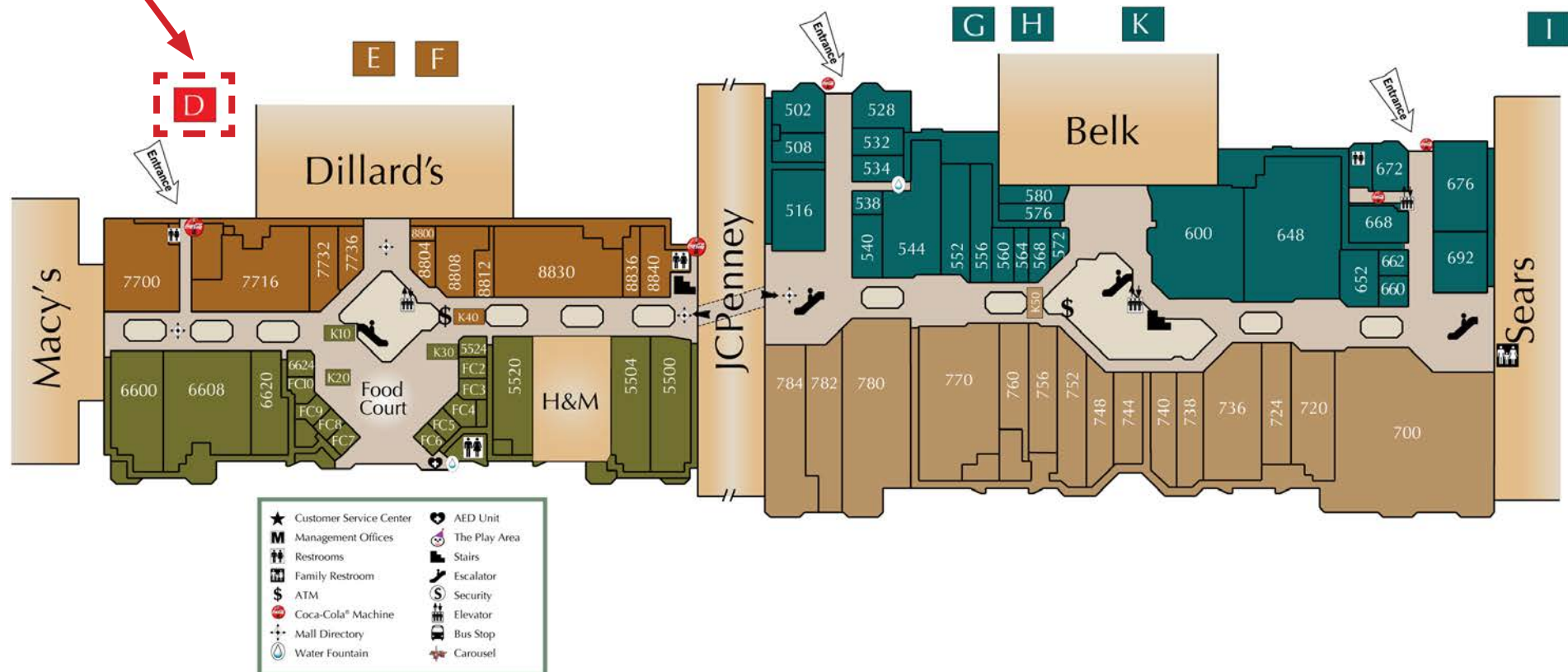
SITE PLAN







HANES MALL





ELEVATIONS



**Winston-Salem, NC
Exhibit "K"**

Maxwell Johnson Maher

ARCHITECTS

155 Broadway Avenue
Nashville, Tennessee 37203
615.259.7500
E-mail: mjma@mjma.com
http://www.mjma.com



ELEVATIONS WERE CREATED USING THE FOLLOWING:

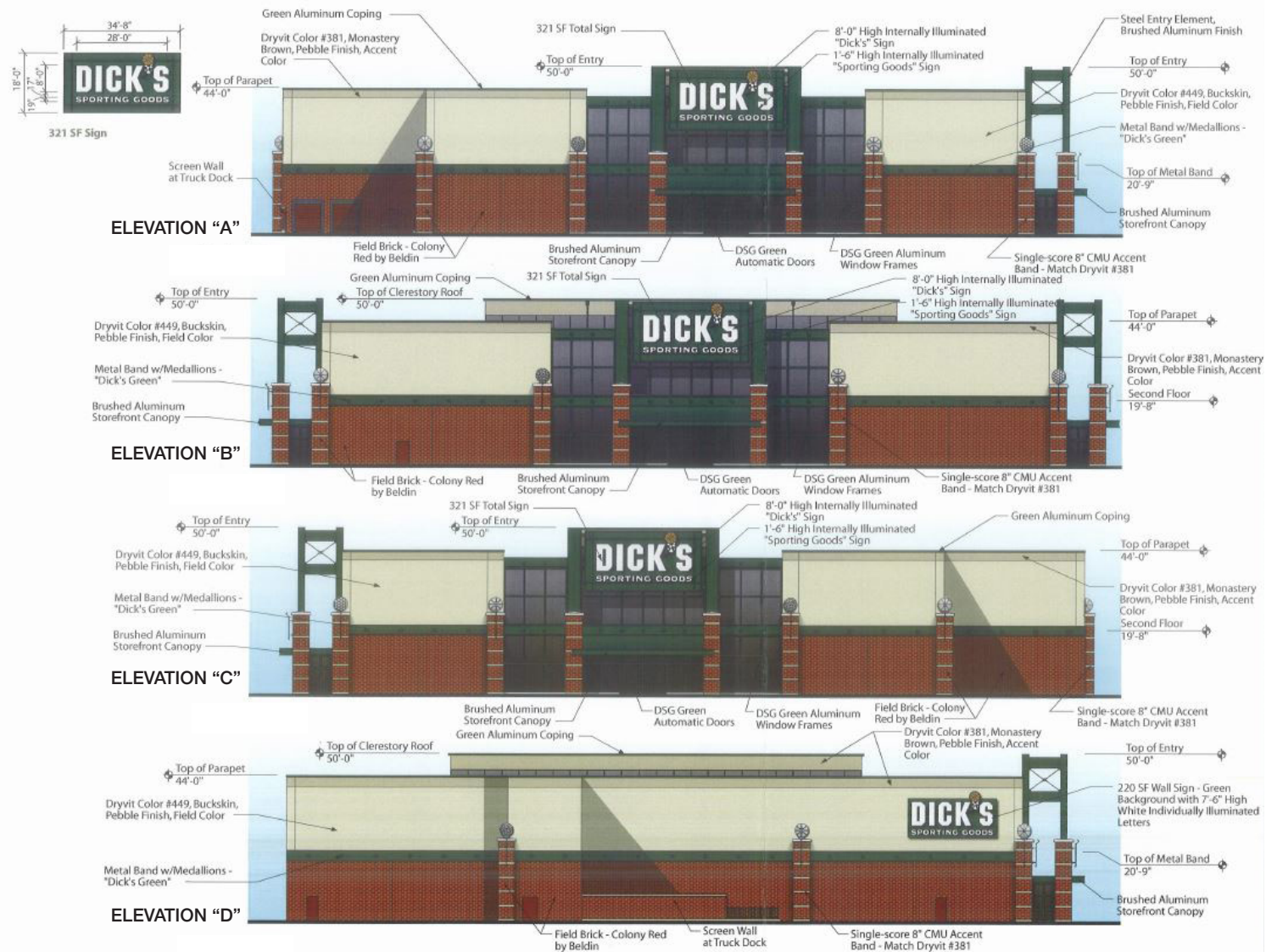
- ☒ PROVIDED PRELIMINARY FLOOR PLAN
- ☒ SIGNAGE REQUIREMENTS PER ECSCA
- ☒ PROVIDED SITE PLAN
- ☒ SITE PHOTOGRAPHS

Key Plan



404040-01 02/23/05

ELEVATIONS





TENANT SUMMARY

DICK'S SPORTING GOODS

DICK'S Sporting Goods, Inc. is a full-line sporting goods retailer offering a broad assortment of brand name sporting goods equipment, apparel and footwear in a specialty store environment. The company operates 721 stores across the United States as of February 2018.

Headquartered in Pittsburgh, Pennsylvania, DICK'S also owns and operates Golf Galaxy and Field & Stream specialty stores, as well as DICK'S Team Sports HQ, an all-in-one youth sports digital platform offering free league management services, mobile apps for scheduling, communications and live scorekeeping, custom uniforms and fan wear and access to donations and sponsorships. DICK'S offers its products through a content-rich eCommerce platform that is integrated with its store network and provides customers with the convenience and expertise of a 24-hour storefront.

DICK'S Sporting Goods stores serve and inspire athletes and outdoor enthusiasts to achieve their personal best through a blend of dedicated associates, in-store services and unique specialty shop-in-shops dedicated to team sports, athletic apparel, golf, lodge/outdoor, fitness and footwear.



DICK'S SPORTING GOODS



PITTSBURGH, PA
HEADQUARTERS

14,600
EMPLOYEES

701
LOCATIONS

PUBLIC
OWNERSHIP

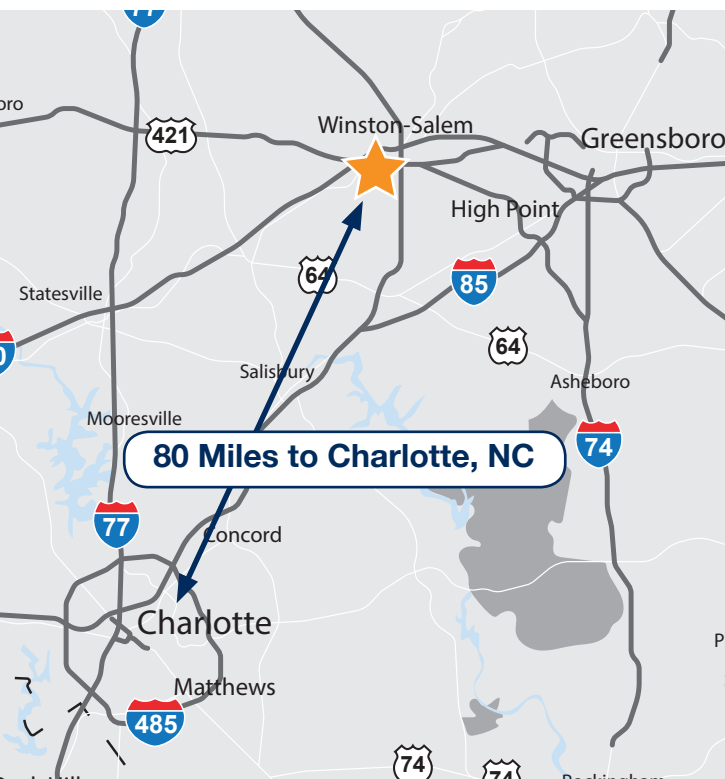
DKS
TICKER: NYSE

\$3.4B
MARKET CAP

\$7.9B
ANNUAL SALES







MAJOR EMPLOYERS: 2017 WINSTON-SALEM, NC

Wake Forest Baptist Health	12,873
Novant Health, Inc.	8,145
Winston-Salem/Forsyth County School System	6,860
Reynolds American, Inc.	3,000
Wake Forest University	2,784
Wells Fargo/Wachovia	2,745
Hanesbrands, Inc.	2,500
City of Winston-Salem	2,420
Forsyth County	2,275
BB&T	2,134

LOCATION HIGHLIGHTS

WINSTON-SALEM, NC THE HEARTLAND OF SOUTHERN CHARM



Strong Traffic Counts:
Interstate 40 – 72,000
VPD and Stratford
Road – 32,000 VPD



**Out-pad to Hanes
Mall – the Area's
Destination Retail**



**Ranked No. 43 in
U.S. News as One of
the Country's Best
Places to Live**



**The Region is One of
the Country's Leaders in
Nanotech and Biotech
Research Industries**

WINSTON-SALEM, NC

Winston-Salem is a region that is growing, but also holds onto its Southern roots and charm.

The city is very diverse, hosting an array of festivities and events throughout the year.

Additionally, the city has restaurants that serve everything from traditional North Carolina barbeque to Indian curries and Greek pastries.

Winston-Salem maintains a slow and steady growth, which has preserved the region's small-town feel, while also allowing for improvements such as repurposing the old textile and tobacco factories into loft apartment spaces. Since there is a heavy interest in residential and corporate development, the region has become a fertile area for entrepreneurs and small business owners alike.

It was ranked by U.S. News as #43 in Best Places to Live and as #57 in Best Places to Retire.

Another great point about Winston-Salem is that housing costs are much less than the national median sale price, so people can get more of a bang-for-their-buck when purchasing real estate in the area.

Winston-Salem is located 90 minutes away from Charlotte, NC, so those who want to go into the city are very close.

Most residents of Winston-Salem enjoy the arts, which have been at the heart of the city for almost 250 years. It is the fifth-largest metro area in North Carolina which is home to the Southeastern Center for Contemporary Art and the Reynolda House Museum of American Art.

The University of North Carolina School of the Arts also hosts community performances and other cultural events and have produced talents like Jada Pinkett Smith. Not only are the arts a prominent factor in Winston-Salem, but also many residents enjoy outdoors activities: hiking, walking through state parks, including sights such as Pilot Mountain and Hanging Rock.

Most of the major employers in the region are in the technology, financial, health care, and tobacco industries. Wake Forest Baptist Medical Center is a national leader in cancer research and technology, and is the metro area's largest employer. The area is also a national leader in the nanotech and biotech research fields. HanesBrand clothing, R.J. Tobacco Company, and the national banking chain BB&T are all headquartered in Winston-Salem.

POPULATION	1 MILE	3 MILES	5 MILES
2022 Projection			
Total Population	5,190	64,511	158,573
2017 Estimate			
Total Population	5,098	61,050	150,468
2010 Census			
Total Population	4,625	57,057	139,725
2000 Census			
Total Population	3,240	48,834	121,221
Current Daytime Population			
2017 Estimate	21,214	96,861	221,739
HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2022 Projection			
Total Households	2,669	29,932	66,784
2017 Estimate			
Total Households	2,571	28,003	62,641
Average (Mean) Household Size	1.96	2.16	2.27
2010 Census			
Total Households	2,334	26,329	58,356
2000 Census			
Total Households	1,624	22,677	50,992
Occupied Units			
2022 Projection	2,669	29,932	66,784
2017 Estimate	2,922	30,886	68,913
HOUSEHOLDS BY INCOME	1 MILE	3 MILES	5 MILES
2017 Estimate			
\$150,000 or More	4.81%	7.38%	9.09%
\$100,000 - \$149,000	8.36%	9.63%	10.21%
\$75,000 - \$99,999	9.31%	11.09%	10.77%
\$50,000 - \$74,999	19.23%	19.26%	17.73%
\$35,000 - \$49,999	16.12%	15.24%	13.37%
Under \$35,000	42.15%	37.39%	38.83%
Average Household Income	\$56,796	\$70,264	\$73,834
Median Household Income	\$42,352	\$46,708	\$47,019
Per Capita Income	\$29,025	\$32,346	\$31,329

HOUSEHOLDS BY EXPENDITURE	1 MILE	3 MILES	5 MILES
Total Average Household Retail Expenditure	\$53,369	\$57,215	\$58,090
Consumer Expenditure Top 10 Categories			
Housing	\$14,307	\$15,708	\$15,809
Transportation	\$8,791	\$9,865	\$9,852
Shelter	\$7,706	\$8,521	\$8,593
Food	\$5,916	\$6,461	\$6,512
Health Care	\$3,906	\$3,999	\$4,120
Personal Insurance and Pensions	\$3,815	\$4,688	\$4,814
Utilities	\$3,256	\$3,487	\$3,502
Cash Contributions	\$2,364	\$2,242	\$2,423
Entertainment	\$2,130	\$2,326	\$2,379
Household Furnishings and Equipment	\$1,820	\$2,032	\$2,028

POPULATION PROFILE	1 MILE	3 MILES	5 MILES
Population By Age			
2017 Estimate Total Population	5,098	61,050	150,468
Under 20	18.24%	23.08%	26.18%
20 to 34 Years	23.50%	24.68%	22.54%
35 to 39 Years	5.79%	6.68%	6.31%
40 to 49 Years	10.11%	11.80%	12.06%
50 to 64 Years	18.62%	17.92%	18.16%
Age 65+	23.72%	15.84%	14.73%
Median Age	42.29	36.58	35.97
Population 25+ by Education Level			
2017 Estimate Population Age 25+	3,831	42,871	99,111
Elementary (0-8)	2.44%	3.02%	3.34%
Some High School (9-11)	5.11%	4.86%	6.60%
High School Graduate (12)	25.03%	21.71%	22.87%
Some College (13-15)	22.15%	21.80%	20.02%
Associate Degree Only	9.23%	7.73%	7.20%
Bachelors Degree Only	25.17%	24.43%	23.57%
Graduate Degree	10.40%	15.75%	15.63%

DEMOGRAPHICS / WINSTON-SALEM, NC



150,468

Total Population Within 5-Mile Radius



\$73,834

Average Household Income
Within 5-Mile Radius



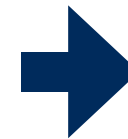
\$47,019

Median Household Income
Within 5-Mile Radius



62,641

Total Households Within
5-Mile Radius



22.84%

From 2000





WINSTON-SALEM
NORTH CAROLINA

LIOR REGENSTREIF

SENIOR MANAGING DIRECTOR INVESTMENTS
SENIOR DIRECTOR, NET LEASED PROPERTIES GROUP
ENCINO OFFICE

Tel: (818) 212-2730

Fax: (818) 212-2710

Lior.Regenstreif@marcusmillichap.com

License: CA 01267761

JONATHAN BRAIER

SENIOR INVESTMENT ASSOCIATE

Tel: (818) 212-2773

Fax: (818) 212-2710

Jonathan.Braier@marcusmillichap.com

License: CA #01958515

NNN
NNN DEAL
THE SINGLE TENANT RESOURCE

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