

OFFERING MEMORANDUM

Amazon Two-Tenant Distribution Facility | Rochester, New York



 STREAM CAPITAL PARTNERS

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DISCLAIMER

This Offering Memorandum ("Memorandum") is intended solely for the use of prospective investors in determining whether or not to pursue the possible acquisition of the Property ("the Property") at 330 Clay Road in Rochester, New York. This Memorandum is of a proprietary and confidential nature. Prospective investors and/or their advisors are expressly forbidden from sharing this information with any individuals or organizations that are not directly connected with the analysis of this investment opportunity. STREAM Capital Partners, LLC ("SCP") has been retained as the exclusive advisor for this investment opportunity. Any and all inquiries are to be directed to SCP.

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TRANSACTION SUMMARY

Purchase Price: \$10,224,733

Cap Rate: 6.00%

Annual Rent: \$613,484

Property Specifications

Address: 330 Clay Road
Rochester, New York

Building Size: 86,822 square feet

Land Size: 6.97 acres

Photonics Lease Abstract

Annual Rent: \$181,796

Net Rent (\$ / SF): \$9.97

Square Feet Occupied: 18,233 SF

Lease Commencement: April 10, 1997

Lease Expiration: December 31, 2025

Lease Term: 7 years

Lease Type: NN

Rent Increases: 4.50% annually

TI Reimbursement \$1,076.68 monthly
(59 months commenced
8/1/18)

Management Fee: Commercially Reasonable

Termination Option: 12/31/2023
180 day notice
Termination Fee: \$59,000

Relocation: Landlord has right to relocate
tenant (\$50,000 cost limit)



Amazon Lease Abstract

Annual Rent: \$431,688

Net Rent (\$ / SF): \$6.29

Square Feet Occupied: 68,589 SF

Lease Commencement: July 2, 2018

Lease Expiration: July 1, 2028

Lease Term: 10 years

Lease Type: NN

Rent Increases: 3.00% in year 5

Options to Renew: Two, 5-year options

Management Fee: 2.00%

ROFO: Tenant has the right to lease
additional space

Termination Option: Tenant may exercise in year 7
90-day notice
Termination Fee: \$607,727.10

AERIAL VIEWS



AERIAL VIEWS



AERIAL VIEWS



AERIAL VIEWS



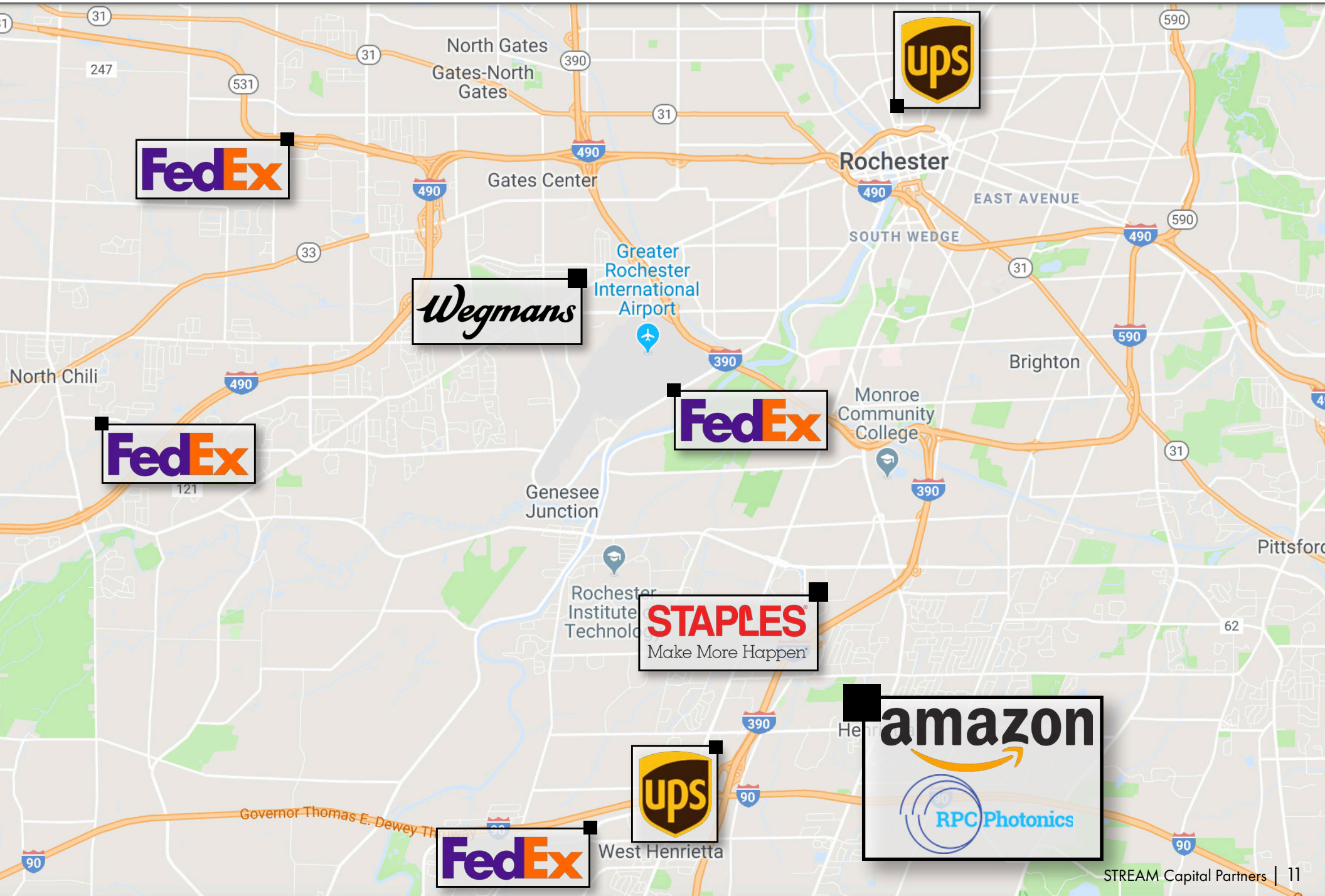
AERIAL VIEWS



AERIAL VIEWS



METROPOLITAN DISTRIBUTION CENTERS



MARKET OVERVIEW

- The third-largest city in New York State, the greater Rochester region is inhabited by a little more than one million people.
- The Rochester area is known for its increasingly diverse high technology sphere encompassing STEM (science, technology, engineering and mathematics) fields.
- Rochester is emerging as the imaging, optics and photonics capital of the world.
- In 2015, the White House announced that new Integrated Photonics Institute for Manufacturing Innovation would be located in Rochester.
- Other growing industries include food-and-beverage manufacturing, biotechnology, and green innovation.
- The Rochester Metropolitan Industrial market is comprised of almost 80 msf of occupied space.
- Industrial occupiers are finding it difficult to find space within the already existing inventory, thus driving demand for new construction.

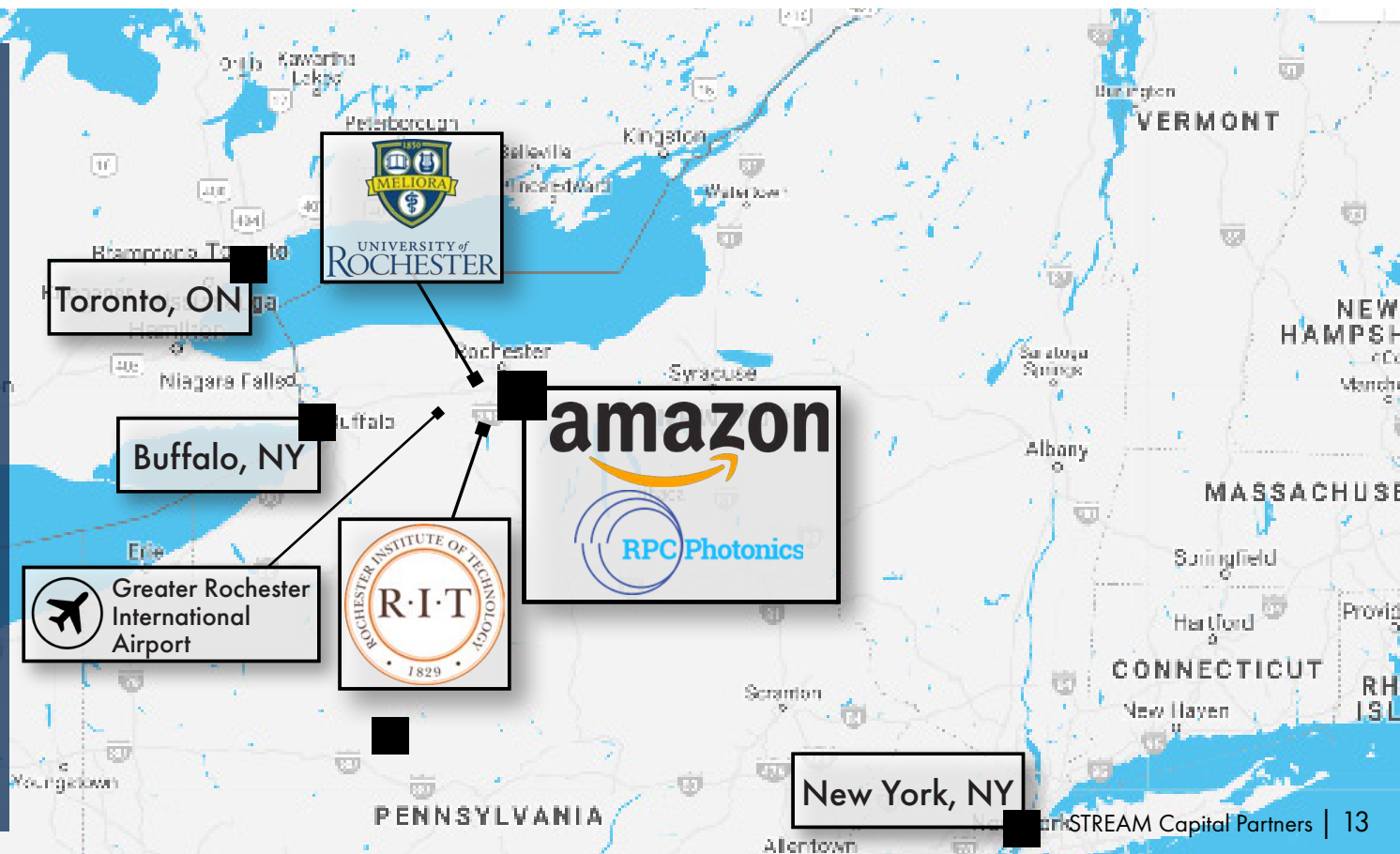


MARKET OVERVIEW

- Rochester is at the heart of the New York Super Region and is home to some of the best small, medium and large companies to work for in America.
- Located on route I-90 in Western NY, between Lake Ontario and the Finger Lakes region, the Rochester, NY Region is within easy reach of major east coast markets, with more than one-third of the combined population of the U.S. and Canada within 500 miles.
- The city's central location in Western New York provides residents a short drive to destinations as the Niagara Falls, the Finger Lakes region, and the Adirondack Mountains. Big cities, including New York, Toronto, and Boston are also within a day's drive.
- A host of colleges and universities, including the University of Rochester and the Rochester Institute of Technology, produce an educated workforce and generates cutting-edge research that drives the city's innovation and technology sectors.
- The region has what successful businesses need: a talented and competitively-priced labor pool; competitive tax incentives; and prime real estate at costs well below the national average.

Corporate Headquarters Based in Rochester, NY

5Linx
Abbott's Frozen Custard
Care stream Health
Eastman Kodak
ESL Federal Credit Union
Excels Blue Cross Blue Shield
Frontier Telephone
Genesee Brewing Company
Gleason Corporation
Hickey Freeman
Hillside Family of Agencies
Home Properties
Monroe Muffler Brake
North American Breweries
Rochester Gas and Electric
Rochester Regional Health
Rohrbach Brewing Company
Vuzix



TENANT SUMMARY

Amazon

- Amazon is an American electronic commerce and cloud computing company based in Seattle, Washington that was in 1994.
- The tech giant is the largest Internet retailer in the world as measured by revenue and market capitalization, and second largest in terms of total sales.
- Amazon is the fourth most valuable public company in the world, the largest Internet company by revenue in the world, and after Walmart, the second largest employer in the United States.
- Over the last 5-years, Amazon has created more than 125 jobs in the U.S. every day – from fulfillment centers to corporate offices, over \$100 billion was invested in the U.S. alone.
- In 2017, Amazon acquired Whole Foods Market for \$13.4 billion, which vastly increased Amazon's presence as a brick-and-mortar retailer.



TENANT SUMMARY

RCP Photonics

- RPC Photonics, Inc. designs, manufactures, and distributes micro-optical components.
- The company offers LED light shapers, LED collimators, microlens arrays, and diffractive optical elements.
- The company provides design and modeling, gray-scale lithography, micro-replication, and injection and compression molding services.
- The company caters to illumination, displays, semiconductors, defense, and laser sectors.
- RPC Photonics, Inc. was founded in 1989 and is based in Rochester, New York.
- As of October 30, 2018, RPC Photonics, Inc. operates as a subsidiary of Viavi Solutions Inc.

Automotive lighting



Consumer Electronics



Entertainment



High-power lasers



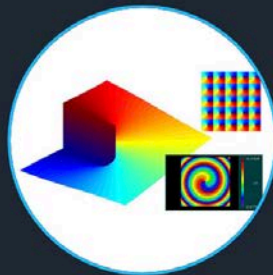
LED Lighting



Medical Equipment



Research Vortex Optics



Architectural lighting



TENANT SUMMARY

Viavi Solutions

- RPC Photonics, Inc. ("RPC") is a wholly owned subsidiary of Viavi Solutions Inc. ("VIAVI") (NASDAQ: VIAV).
- VIAVI is a global provider of network testing, monitoring, and assurance solutions to communications service providers, enterprises, network equipment manufacturers, civil, government, military, and avionics customers.
- VIAVI delivers end-to-end visibility across physical, virtual and hybrid networks, enabling customers to optimize connectivity, quality of experience and profitability.
- VIAVI is a leader in high performance thin film optical coatings, providing light management solutions to anti-counterfeiting, consumer electronics, automotive, defense and instrumentation markets.
- EBITDA for the trailing twelve months (TTM) ended in Sep. 2018 was \$101.9 Mil.
- Net revenue of \$268.5 million, up \$77.6 million or 40.6% year-over-year.



About Us

All data consumed on Earth traverses networks that have been tested or assured by VIAVI Solutions.

VIAVI



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