



SANDS INVESTMENT GROUP
NET INVESTMENTS... NET RESULTS



OFFERING MEMORANDUM

Absolute Triple Net (NNN) Lease Investment Opportunity

5600 Bagby Avenue | Waco, TX 76761

EXCLUSIVELY MARKETED BY:

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SANDS INVESTMENT GROUP
NET INVESTMENTS... NET RESULTS

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Ashley HomeStore | 5600 Bagby Avenue | Waco, TX 76761



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INVESTMENT SUMMARY

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Sands Investment Group is Pleased to Exclusively Offer For Sale the 35,000 SF Ashley HomeStore Located at 5600 Bagby Avenue in Waco, Texas. This Property is Situated In an Excellent Location and Has 12+ Years Remaining on an Absolute Triple Net (NNN) Lease With Zero Landlord Responsibilities, Providing a Secure Investment.



Actual Property Image

OFFERING SUMMARY

PRICE	\$9,209,628
CAP	7.00%
NOI	\$644,674
PRICE PER SF	\$263.13
YEARS REMAINING	12+ Years
GUARANTOR	Personal & Franchisee The Wilk's Group, Inc.

PROPERTY SUMMARY

ADDRESS	5600 Bagby Avenue Waco, TX 76711
COUNTY	McLennan
BUILDING AREA	35,000 SF
LAND AREA	3.39 AC
BUILT	2007/2016

HIGHLIGHTS



BEST OF CLASS INVESTMENT

- Absolute Triple Net (NNN) Lease With 12+ Years Remaining - Zero Landlord Responsibilities
- Tenant Signed Brand New 15 Year Lease in 2016 – Showing Strong Commitment to Location
- 7.5% Rent Increases Every 5 Years Through Current Term and Option Periods
- 7.5% Rental Increase in 2022 Provides Investor With Higher Yield



STRONG GUARANTEE

- Personal Guarantee and a Corporate Guarantee From The Wilks Group, Inc.
- The Wilks Group, Inc. is a Successful Family Owned and Managed Business With 5 Locations Throughout the State of Texas and Over 30 Years of Furniture Experience



HIGH QUALITY TENANT

- Extensive 2016 Renovation to Brand New Design Concept - Over \$600,000 Invested in Construction and Remodel (of Which, Tenant Provided \$500,000); Renovation Included Open Floor Plan, LED Lighting and Virtual Reality Shopping Experience
- First Ashley Furniture in Texas With a “6.0” Design Concept
- Strong Increasing Sales In 2018



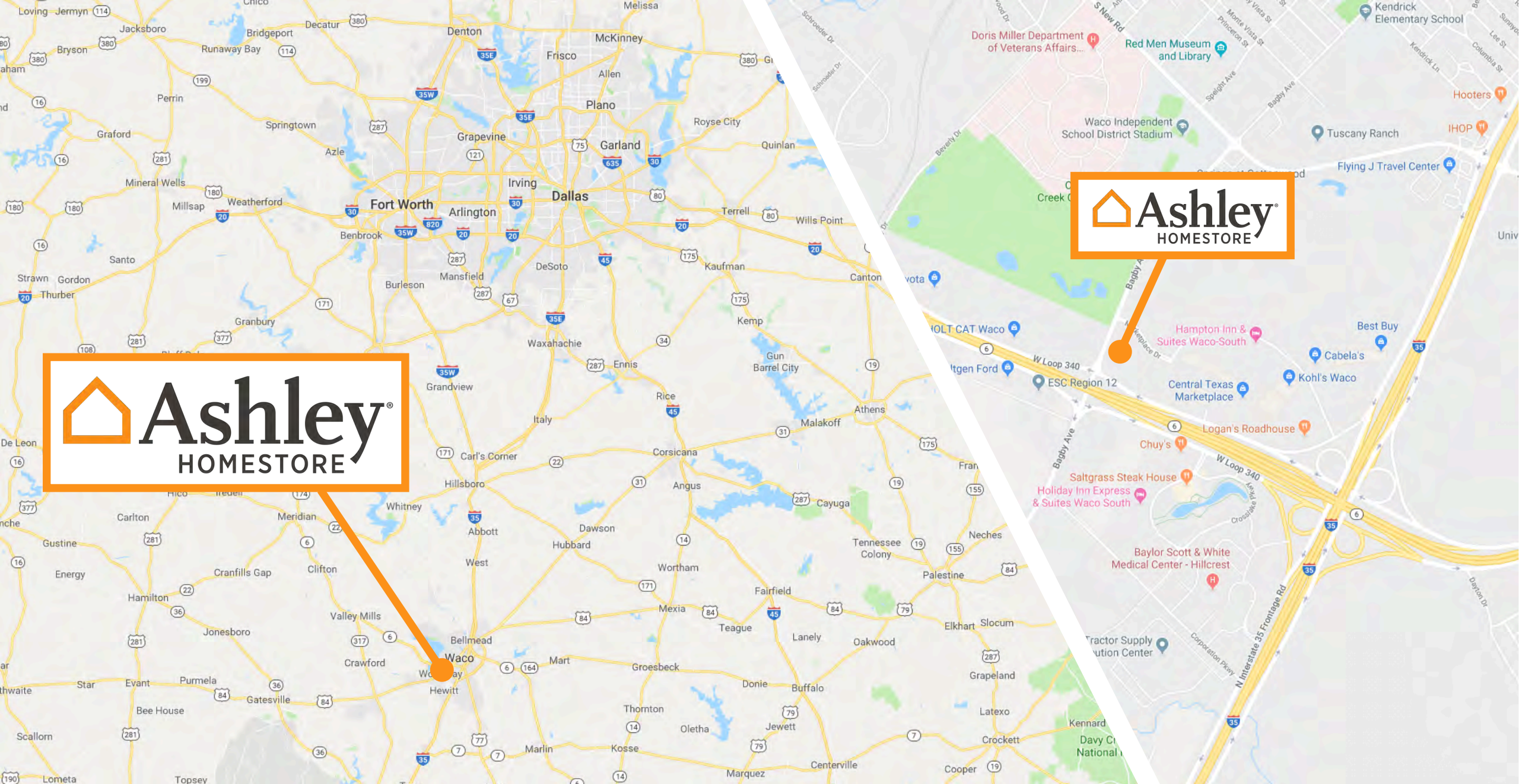
EXCELLENT LOCATION WITH STRONG DEMOGRAPHICS

- Tremendous Location With Hotel, Medical, Senior-Living and Mixed-Use Retail Construction Projects Nearly Completed and Underway
- Prominent Visibility and Exposure From Loop 340 – Over 58,000 VPD
- Immediate Access From Loop 340
- Located at the Interstate 35 With Over 95,000 VPD
- Population of Over 190,000 Residents and 118,000 Employee Population Within 10-Miles
- Average Consumer Spending on Home Furnishings Within 10-Miles is Over \$92,000 Per Household (2017)
- Adjacent to Baylor Scott & White Medical Center – 250 Beds and Over 2,000 Employees
- Adjacent to Texas Central Business Park – 3,000 Acre Business Park With Over 75 Companies and Daytime Employee Population of Over 8,000
- Outparcel to Central Texas Marketplace – Over 925,000 SF Shopping Destination
- 5 Minutes From Baylor University – Student Population of 14,348
- Select Neighboring Tenants Includes: Walmart Supercenter, Home Depot, Burlington Coat Factory, Academy Sports, Target, Kohl's, Lowe's and Conn's Home Plus



DEVELOPMENTS & CONSTRUCTION PROJECTS UNDERWAY (WITHIN A 200 YARD RADIUS)

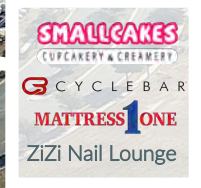
- Emerald Cottages
- Arbor House
- Residence Inn by Marriott
- Tru by Hilton
- Central Texas Marketplace



Ashley HomeStore | 5600 Bagby Avenue | Waco, TX 76761



MARKETPLACE DR



Mexicano Grill & Bar Taqueria

BEAUTY BRANDS



BAGBY AVENUE



EXCHANGE



Innovate. Empower. Educate.



Central Texas
Institute of
Plastic Surgery



Crow Concepts



M&M
Broadcasters

BAGBY AVENUE



Central Texas
Veterans Affairs
Health Care
System

Waco ISD
Athletic
Complex

Cottonwood
Creek Market

Proposed Retail
Development

Cottonwood Creek
Golf Course

The
Residence
Apts

The Retreat Apts
216 Units

Geriatric
Medical Care
3 Projects -
216 Units

CENTRAL TEXAS
MarketPlace

CINEMARK

6
TEXAS

BAGBY AVE

INTERSTATE
TEXAS
35

 **Ashley**
HOMESTORE

The Legend
Apts
112 Units

 **Baylor Scott & White**
HEALTH

Walmart 
Return Center



BAGBY AVE



CITY OVERVIEW

Waco | McLennan County | Texas

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Waco, TX

Waco is the county seat of McLennan County, Texas. It is situated along the Brazos River and I-35. The city is also located right in the middle of Dallas and Austin, being 90 miles from each. The city's 2017 estimated population is about 136,436 residents. The Waco Metropolitan Statistical Area consists of McLennan and Falls Counties, which had a 2017 estimate population of 268,696 residents. Waco is famous for being the birthplace of Dr. Pepper, the Texas Ranger Hall of Fame & Museum, and the Texas Sports Hall of Fame. The city is also very popular due to being the home of 3 major colleges. Waco is brimming with Texas history, economic opportunity, and a rich variety of cultural experiences.



Economy

The economy of Waco employs about 56,275 people and is specialized in Educational Services, Manufacturing, and Accommodation and Food Service. Waco is the home to three major colleges in its city limits including: Baylor University with 14,316 students, Texas State Technical College with 4,114 students, and McLennan Community College with 8,764 students. The city boasts one of the of the biggest and best municipal parks in Texas, Cameron Park, which brings numerous of visitors to the city. The 416-acre park is located in the heart of Waco, next to downtown, situated on the Brazos and Bosque Rivers. It hosts numerous races, triathlons, boat races and more.



Contemporary Life

Waco is the place to stop for scores of shops and restaurants galore. It also offers some major attractions, five historic homes, seven recreational venues, and nine arts organizations staging theatrical and musical productions, as well as art exhibitions. The city is the birthplace of Dr. Pepper, the Texas Ranger Hall of Fame and Museum and the Texas Sports Hall of Fame. Waco is also home to the Waco Mammoth National Monument, a 100-plus acre stretch of wooded parkland along the Bosque River. The site provides a glimpse into the lives of Columbian mammoth bones discovered in Waco along the Bosque River and is part of the National Parks System.

WACO ACCOLADES

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Ashley HomeStore | 5600 Bagby Avenue | Waco, TX 76761

Waco Hotel
Occupancy Rate
Ranks 1st in State

Waco Tribute

Waco Named the
#2 'Destination on
the Rise' For 2018

Trip Advisor

Baylor University
Presented the Baylor
Founders Medal to
the City of Waco

Baylor University

#61 in Cost of
Doing Business

Forbes

Fixer Upper Star's
Chip & Joanna Gaines
Have Brought More
Than 300,000 Visitors

HGTV

#141 Best Places
For Business and
Careers

Forbes

WACO ECONOMY

Ashley HomeStore | 5600 Bagby Avenue | Waco, TX 76761

MAIN EMPLOYERS	# EMPLOYEES
Baylor University	2,901
Waco Independent School District	2,471
Providence Health Care	2,401
Walmart	1,564
City of Waco	1,456
Sanderson Farms, Inc.	1,215



SHERWIN-WILLIAMS DISTRIBUTION CENTER

Home to the Dr. Pepper Museum, Where Dr. Pepper Was Invented

Sherwin-Williams Opens New Distribution Center

Home to the Walmart Return Distribution Center

WACO DEVELOPMENTS

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BAGBY CROSSING

Announced October 2018, Bagby Crossing has Become a Hotbed of Development that Includes a Hyatt Place Hotel, Two Other Hotels in the Planning Stage and Commercial Tenants Including ZiZi PediSpa, a Bakery Chain Called Smallcakes, Mattress One and Cycle-Centric Exercise venue called CycleBar.



EMERALD COTTAGES



- The Cottages are Available to People Ages 55 and Over Who are Still Active. Units Feature Hardwood Floors, Stainless Steel Appliances, Granite Countertops and One-Vehicle Garages. The Two-Bedroom Two-Bathroom Units are Priced at \$2,600 to \$2,800 a Month for 1,380 SF
- [Read More Here](#)

ARBOR HOUSE



- A 64-Unit Memory Care Center, While a 120-Unit Skilled Nursing Center Operates Nearby

HERITAGE HOSPITALITY GROUP



- Based in Mississippi, Heritage Hospitality Group has Acquired 5.6 Acres Along Marketplace Drive, where They Will Place a 105-Unit Residence Inn by Marriott and a 98-Unit Tru by Hilton property
- Ali Bhatti, Vice President of Development at Heritage Hospitality, Said the Company was Investing Between \$26 and \$28 Million to Buy the Land and Build the Two Hotels
- [Read More Here](#)

CENTRAL TEXAS MARKETPLACE



- Bagby Crossing is Next to Central Texas Marketplace at West Loop 340 and Interstate 35. The Marketplace is the Area's Most Concentrated Set of National and Regional Businesses

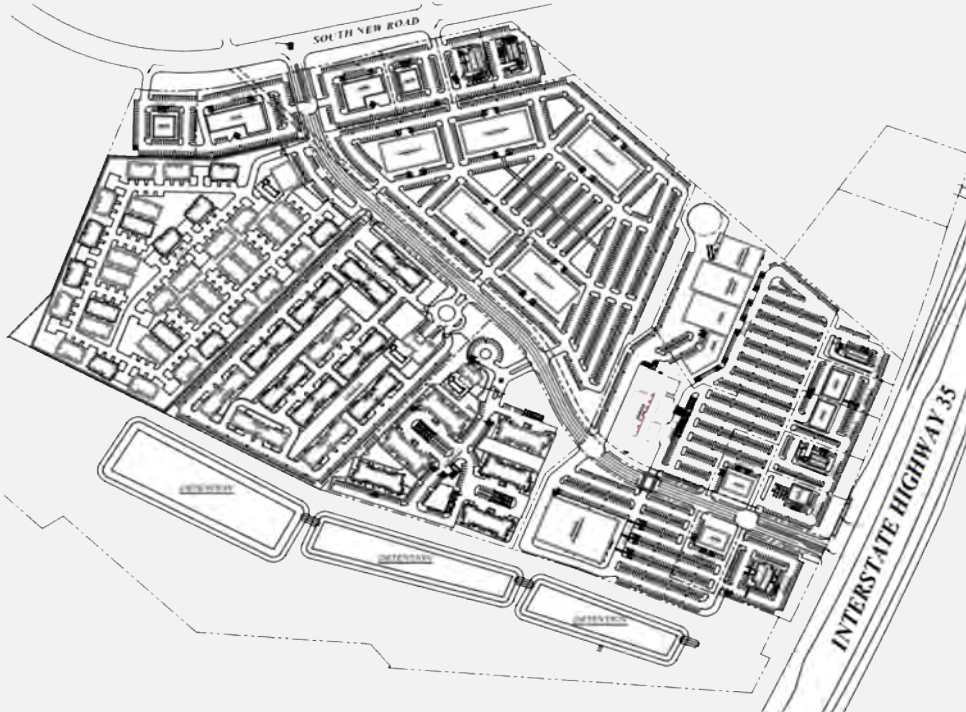
WACO DEVELOPMENTS

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COTTONWOOD CREEK MARKET

Cottonwood Creek Market is Located Southbound of I-35 Frontage Road, Between the Flying J Travel Center and the Central Texas Marketplace, On a 143-Acre Site. This Mixed Used Development is Scheduled to Open in the Spring of 2020. A Site Map Shows Three Detention Ponds Placed Near the Target Area, With Roadways and 2,216 Parking Spaces Serving the Development.



CINEMARK

- Cinemark Movie Theater Will be at the Heart of Cottonwood Creek Market. It Will Occupy 44,247 SF and Feature 1,115 Seats
- [Read More Here](#)

IMPRESSIVE LINEUP OF TRENDY RESTAURANTS, RETAIL SHOPS AND ENTERTAINMENT

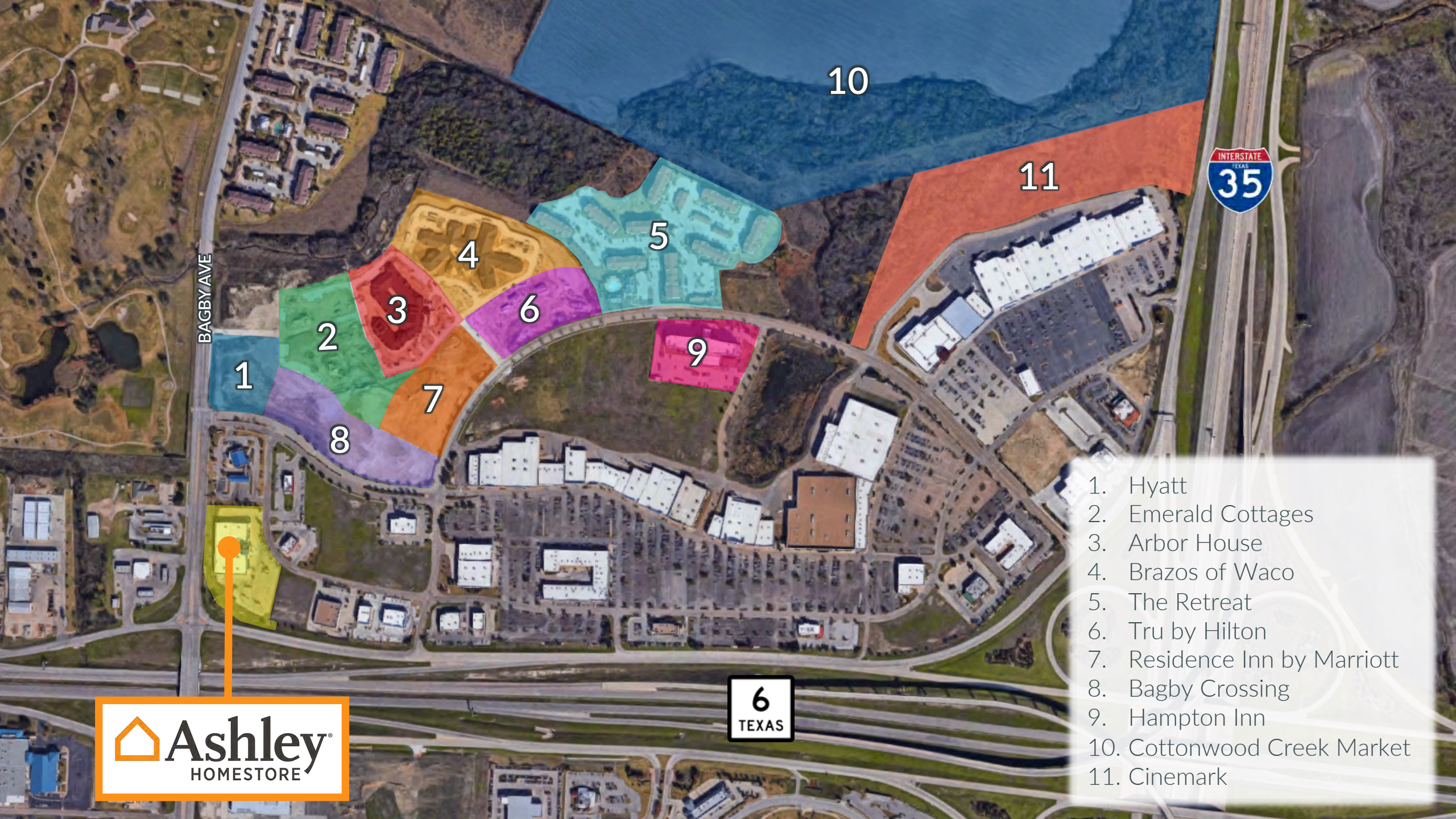
- Developers are 'Targeting Entertainment Groups,' and They Will Place Emphasis on Entertainment, Retail and Restaurant Components

MULTIFAMILY HOMES AND OFFICE SPACE

- Within the 143 Acre Master Planned Mixed Use Development, There is an Allocated 63 Acres of Multifamily and Office Developments
- There has Been Nearly 27% Population Growth In a Mile Radius Since 2010
- Strong Employment and Home Building Growth In the Construction, Manufacturing, Healthcare, Hospitality and Logistics Industries

EXPANSION OF I-35

- The Texas Department of Transportation is Starting a New Construction Project on I-35 Between the North and South Loop in Waco. The Project will Add a Fourth Lane on Each Side of the Interstate, Extend Frontage Roads and Realign Ramps
- The Project is Estimated to Cost \$200 Million to Cover Nearly Seven and a Half Miles of Interstate
- [Read More Here](#)



BAGBY AVE



- 1. Hyatt
- 2. Emerald Cottages
- 3. Arbor House
- 4. Brazos of Waco
- 5. The Retreat
- 6. Tru by Hilton
- 7. Residence Inn by Marriott
- 8. Bagby Crossing
- 9. Hampton Inn
- 10. Cottonwood Creek Market
- 11. Cinemark



DEMOGRAPHICS

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Ashley HomeStore | 5600 Bagby Avenue | Waco, TX 76761



Population

3-MILE	5-MILE	10-MILE
43,983	135,435	198,868

2023 Projection

3-MILE	5-MILE	10-MILE
46,162	141,278	207,700



Average Household Income

3-MILE	5-MILE	10-MILE
\$58,532	\$62,169	\$65,346



TENANT PROFILE

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Ashley HomeStore is an American furniture store chain that sells Ashley Furniture products. Opened in 1997, the chain now has more than 800 Ashley HomeStores and 15 manufacturing and distribution facilities across the globe. The products are sold by more than 6000 retail partners with over 20,000 storefronts in 123 countries. The chain has both corporate and independently owned and operated furniture stores.

Ashley Furniture Industries, as a brand, is a home furnishings manufacturer and retailer. The stores biggest draw to customers, is due to its mostly affordable furniture at promotional to mid-level price points. Ashley Furniture has consistently been rated as the #1 furniture manufacturer in the world. In 2018, the store was voted #1 in the “Top 10 Furniture Stores”. [\(Read More Here\)](#) Due to the store’s popularity, the profits have increased tremendously over the years. In 2016 the store made a profit of \$3,835 million, which was an 8.8% increase from 2015. [\(Read More Here\)](#)



COMPANY TYPE

Subsidiary
Ashley Furniture Industries, Inc.



FOUNDED

1997



OF LOCATIONS

800+



HEADQUARTERS

Arcadia, WI



WEBSITE

Ashleyfurniture.com
AshleyHomeStore.ca

THE WILKS GROUP, INC

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ASHLEY FURNITURE OPENING IN CORSICANA, TX



WILKS GROUP PROPERTY IN WACO, TX

The Ashley HomeStore in Waco is owned and operated by The Wilks Group, Inc. The Wilks Group, Inc. is a family owned business. The subject facility has a personal guarantee from Mark Wilks. The group primarily operates in the Furniture Stores industry within the Home Furniture, Furnishings and Equipment Stores sector.

The Wilks Group, Inc. owns multiple Ashley Furniture stores in Texas in the cities of Lufkin, College Station, Nacogdoches, and Waco. In addition to those 4 locations, in April 2018, the Wilks team recently opened an additional site in the city of Corsicana, Texas.

The company is headquartered in College Station and has been operating there for approximately 14 years, and plans to continually grow in the future.



Before & After Pictures | 5600 Bagby Avenue | Waco, TX 76761

ASHLEY HOMESTORE INTERIOR

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- Ashley HomeStore in Waco, TX Underwent a Complete 6.0 Renovation
- There was \$600K in Renovations - \$500K Paid By Tenant, Which Shows Desire to Be There
- 6.0 Renovation Entails:
 - Walls Were Demolished – Creating a More Open Feel and More Space
 - Ceilings Were Lowered – A New Look and a More Homey Atmosphere
 - Concrete Floors – Contemporary Look Helping Display the Rugs
 - Added a Technology Bar – Giving Customers the Opportunity to View Thousands of Items Not in Store
 - Store Added Outdoor Furniture
 - Brand New LED Display – New Façade that Helps With Advertisement
 - [Read More Here](#)



LEASE SUMMARY

TENANT	Ashley Furniture HomeStore
PREMISES	A Building of Approximately 35,000 SF
LEASE COMMENCEMENT	June 1, 2016
LEASE EXPIRATION	October 31, 2031
LEASE TERM	12+ Years Remaining
RENEWAL OPTIONS	2 x 5 Years
RENT INCREASES	7.5% Every 5 Years and At Options
LEASE TYPE	Absolute Triple Net (NNN)
PERMITTED USE	Furniture/Mattress Store
PROPERTY TAXES	Tenant's Responsibility
INSURANCE	Tenant's Responsibility
COMMON AREA	Tenant's Responsibility
ROOF & STRUCTURE	Tenant's Responsibility
REPAIRS & MAINTENANCE	Tenant's Responsibility
HVAC	Tenant's Responsibility
UTILITIES	Tenant's Responsibility
RIGHT OF FIRST REFUSAL	No



Actual Property Image

RENT ROLL

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Ashley HomeStore | 5600 Bagby Avenue | Waco, TX 76761



Actual Property Images

SIZE

ANNUAL RENT

LEASE TERM

TENANT NAME	SQUARE FOOTAGE	% OF TOTAL	ANNUAL BASE RENT	RENTAL INCREASE	INCREASE DATES	LEASE BEGIN	LEASE END	OPTIONS
Ashley Furniture HomStore	35,000 SF	100%	\$644,674	7.5%	Every 5 Years and At Options	06/01/2016	10/31/2031	2 x 5 Years

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.



ABOUT BROKERAGE SERVICES

Before working with a real estate broker, you should know that the duties of a Broker depend on whom the broker represents. If you are a prospective seller or landlord (owner) or a prospective buyer or tenant (buyer), you should know that the broker who lists the property for sale or lease is the owner's agent. A broker who acts as a subagent represents the owner in cooperation with the listing broker. A broker who acts as a buyer's agent represents the buyer. A broker may act as an intermediary between the parties if the parties consent in writing. A broker can assist you in locating a property, preparing a contract or lease, or obtaining financing without representing you. A broker is obligated by law to treat you honestly.

IF THE BROKER REPRESENTS THE OWNER:

The broker becomes the owner's agent by entering into an agreement with the owner, usually through a written listing agreement, or by agreeing to act as a subagent by accepting an offer of sub agency from the listing broker. A subagent may work in a different real estate office. A listing broker or subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first. The buyer should not tell the owner's agent anything the buyer would not want the owner to know because an owner's agent must disclose to the owner any material information known to the agent.

IF THE BROKER REPRESENTS THE BUYER:

The broker becomes the buyer's agent by entering into an agreement to represent the buyer, usually through a written buyer representation agreement. A buyer's agent can assist the owner but does not represent the owner and must place the interests of the buyer first. The owner should not tell a buyer's agent anything the owner would not want the buyer to know because a buyer's agent must disclose to the buyer any material information known to the agent.

IF THE BROKER ACTS AS AN INTERMEDIARY:

A broker may act as an intermediary between the parties if the broker complies with the Texas Real Estate License Act. The broker must obtain the written consent of each party to the transaction to act as an intermediary. The written consent must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary.

The broker is required to treat each party honestly and fairly and to comply with The Texas Real Estate License Act. A broker who acts as an intermediary in a transaction:

- (1) Shall treat all parties honestly;
- (2) May not disclose that the owner will accept a price less than the asking price unless authorized in writing to do so by the owner;
- (3) May not disclose that the buyer will pay a price greater than the price submitted in a written offer unless authorized in writing to do so by the buyer; and
- (4) May not disclose any confidential information or any information that a party specifically instructs the broker in writing not to disclose unless authorized in writing to disclose the information or required to do so by The Texas Real Estate License act or a court order or if the information materially relates to the condition of the property.

With the parties' consent, a broker acting as an intermediary between the parties may appoint a person who is licensed under The Texas Real Estate License Act and associated with the broker to communicate with and carry out instructions of one party and another person who is licensed under the Act and associated with the broker to communicate with and carry out instructions of the other party. If you choose to have a broker represent you, you should enter into a written agreement with the broker that clearly establishes the broker's obligations and your obligations. The agreement should state how and by whom the broker will be paid. You have the right to choose the type of representation, if any, you wish to receive. Your payment of a fee to a broker does not necessarily establish that the broker represents you. If you have any questions regarding the duties and responsibilities of the broker, you should resolve those questions before proceeding.

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