



SANDS INVESTMENT GROUP
NET INVESTMENTS... NET RESULTS



OFFERING MEMORANDUM
Multi-Tenant Lease Investment Opportunity

2222-2226 Cleveland Avenue | Santa Rosa, CA 95403

EXCLUSIVELY MARKETED BY:

2



SANDS INVESTMENT GROUP
NET INVESTMENTS... NET RESULTS

2701 Ocean Park Blvd. Suite 140
Santa Monica, CA 90405
844.4.SIG.NNN

www.SIGnnn.com

DAN HOOGESTEGER

Lic. # 01376759

310.853.1419 | **DIRECT**
dan@SIGnnn.com

DANNY HELD

Lic. # 01946205

310.853.1358 | **DIRECT**
danny@SIGnnn.com

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INVESTMENT SUMMARY

Sands Investment Group is Pleased to Offer Exclusively For Sale the 49,990 SF T.J. Maxx and Staples Located at 2222-2226 Cleveland Avenue in Santa Rosa, California. This Opportunity Includes Two High Quality Tenants in an Excellent Highly Populated Location, Providing For a Secure Investment.



OFFERING SUMMARY

PRICE	\$18,775,000
CAP	6.41%
NOI	\$1,203,983
PRICE PER SF	\$375.58
LEASE GUARANTEES	Corporate

PROPERTY SUMMARY

ADDRESS	2222-2226 Cleveland Avenue Santa Rosa, CA 95403
COUNTY	Sonoma
BUILDING AREA	49,990 SF
LAND AREA	3.73 AC
BUILT RENOVATED	1963 2007

Actual Property Image

INVESTMENT ANALYSIS

BUYER TO ASSUME EXISTING FINANCING

LOAN AMOUNT	\$7,535,000
INTEREST RATE	3.863%
AMORTIZATION	Interest Only
MATURITY DATE	January 6, 2028

ESTIMATED OPERATING INFORMATION

GROSS POTENTIAL RENT	\$1,220,126
PLUS RECAPTURE	NNN
EFFECTIVE OPERATING INCOME	\$1,220,126
LESS EXPENSES	NNN
LESS LL TAX LIABILITY	(\$16,142)
NET OPERATING INCOME	\$1,203,983
LESS FIRST LOAN PMT	(\$405,368)
CASH FLOW	\$798,616
CAP RATE	6.41%
CASH / CASH	7.11%



HIGHLIGHTS



Strong National Credit Tenants – T.J. Maxx (60% of Property) Features High Investment Grade Credit (A+ / A2)



Pride of Ownership Asset – the Property Offers a Rare Opportunity to Acquire an Asset Containing Both High Quality Real Estate and High Quality Tenancy Within One of the Most Desired Markets in all of California



Triple Net (NNN) Leases With Minimal Landlord Responsibility



Attractive Assumable Financing Provides Strong Cash on Cash Return



Strong Historical Operating History – Both Tenants Have Nearly 12 Years at Location



Over 8 Years Remaining on T.J. Maxx Lease and Over 3 Years Remaining on Staples Lease (Staples Exercised Option in 2017)



Strong Rental Increases For Both Tenants – 10% Every 5 Years and At Option Periods



Secure Investment - Corporate Guarantees From T.J. Maxx and Staples, Inc.



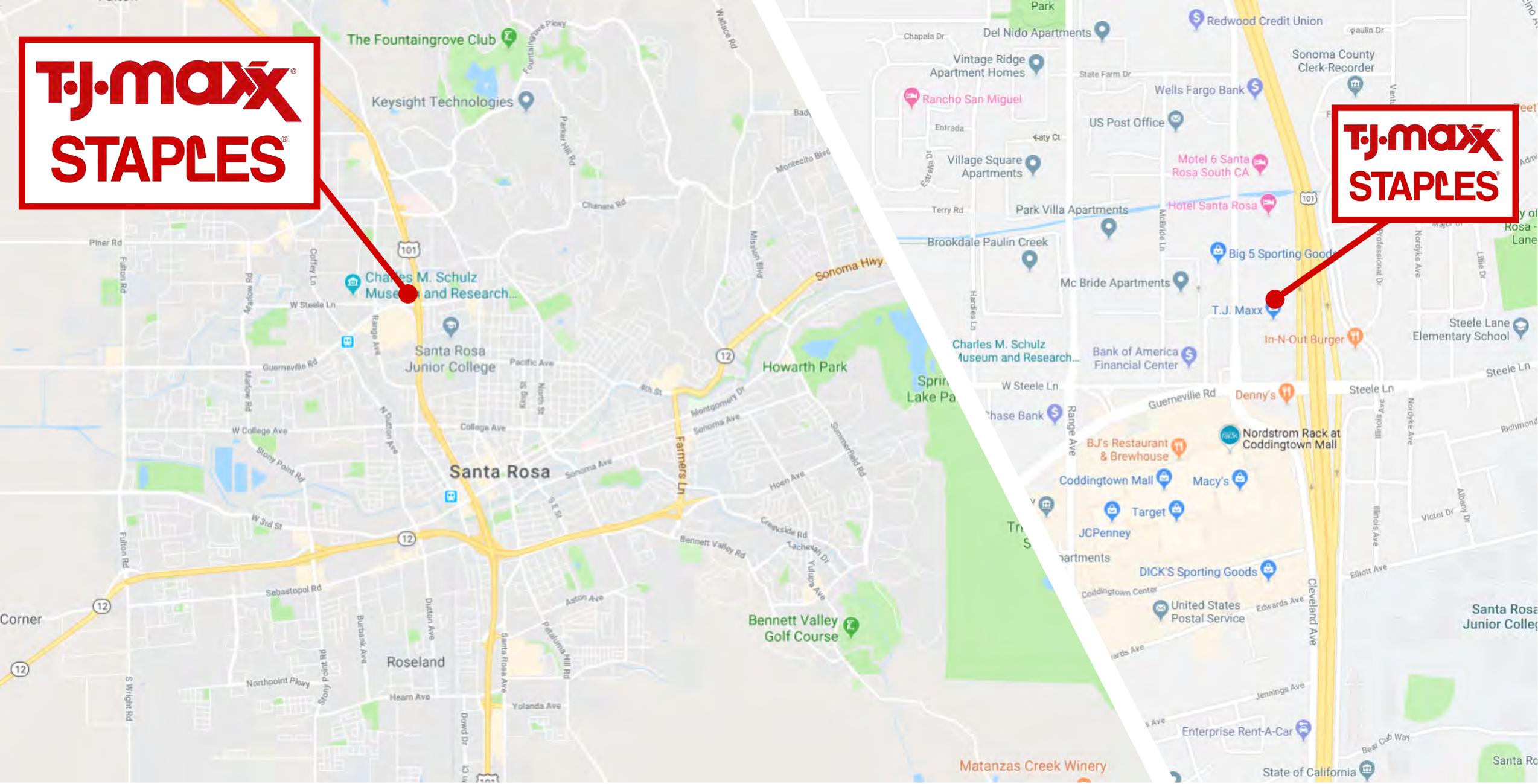
Affluent, Dense Sonoma County Demographics - More Than 200,000 Residents Reside Within a 5-Mile Radius of the Subject Property With an Average Household Income Exceeding \$90,000



Neighboring Tenants Include: Coddington Mall, Big 5 Sporting Goods, Bank of America, Dick's Sporting Goods, Denny's and Santa Rosa Junior College

T.J. Maxx
STAPLES

T.J. Maxx
STAPLES



T.J. Maxx & Staples | 2222-2226 Cleveland Avenue | Santa Rosa, CA 95403

CODDINGTON

843,000 SF Mall With 65+ Shops and Restaurants



Cleveland Ave



Guerneville Rd

Nueva Vista Apartments

Willow Tree Apartments

McBride Apartments

Arroyo Point Apartments

T.J. MAXX STAPLES

County of Sonoma,
Permit & Resource
Management
Department

casa
dei bambini
foundation school

CHRF

Z ZERO WASTE
SONOMA

Allstate
You're in good hands.

IN-N-OUT
BURGER



ROMELLI
BAIL BONDS

SANTA ROSA
JUNIOR COLLEGE

SEALS



Orchard
est. 1933
SUPPLY HARDWARE



Guerneville Rd

Denny's

AMERICA'S
TIRE

Jack
in the box

Hotel Santa Rosa

ROUND TABLE
PIZZA ROYALTY

Edward Jones
MAKING SENSE OF INVESTING

RED WING
SHOES

CommunityChoice
FINANCIAL

IBEW Local

BIG 5
SPORTING GOODS

Sonoma Patient
GROUP

Cleveland Ave

Coddington
Dental Care

*New
China*

Santa Rosa Shoes

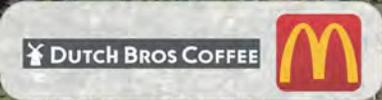
COKAS DIKO
HOME



TJ-maxx STAPLES

Guerneville Rd

Mendocino Ave



CITY OVERVIEW

Santa Rosa | Sonoma County | California



SANTA ROSA DOWNTOWN



SANTA ROSA WINERY



SAFARI WEST

Santa Rosa, CA

Santa Rosa is the county seat of Sonoma County. The city is located right in California's Wine Country, so the area is very well known for wineries. Santa Rosa is one of the most populous cities in the San Francisco Bay Area with almost 186,000 residents, and it is the 28th most populous in the state. It is also the largest city by population in all of Sonoma County, and the largest city in California's Redwood Empire. Santa Rosa has an area of 51.5 square miles and a population density of over 4,241 people per square mile. Future job growth over the next ten years, in the city, is predicted to be 34.9%, which is higher than the US average of 33.5%.

Economy

The economy of Santa Rosa employs 85,800 people with the largest industries being Health Care & Social Assistance, and Manufacturing. The largest schools in Santa Rosa are Santa Rosa Junior College with 5,353 students enrolled and the Empire College with 174. According to the city's Financial Report, the top employers are the County of Sonoma with 4,058 employees, Kaiser Permanente with 2,555, Sutter Medical Center of Santa Rosa with 1,797, St. Joseph Health System with 1,740 and Santa Rosa Junior College 1,589. The area's many wineries help bring in about 7 million visitors a year to Sonoma County, helping the city's economy.

Contemporary Life

The city is home to the Charles M. Schulz Museum and Research Center which is dedicated to the famed "Peanuts" cartoonist. Nearby, hands-on exhibits at the Children's Museum of Sonoma County include a mini train station. Big-name musicians perform at the Luther Burbank Center for the Arts. The city is also home to Safari West which includes an upscale tented accommodation on a 400-acre wildlife preserve with safari tours & free breakfast. The area also includes the Trione-Annadel State Park which is a large park featuring hiking trails and beautiful fields of wildflowers. The park is home to Lake Ilnango which is a great place for fishing.

DEMOGRAPHICS

T.J. Maxx & Staples | 2222-2226 Cleveland Avenue | Santa Rosa, CA 95403



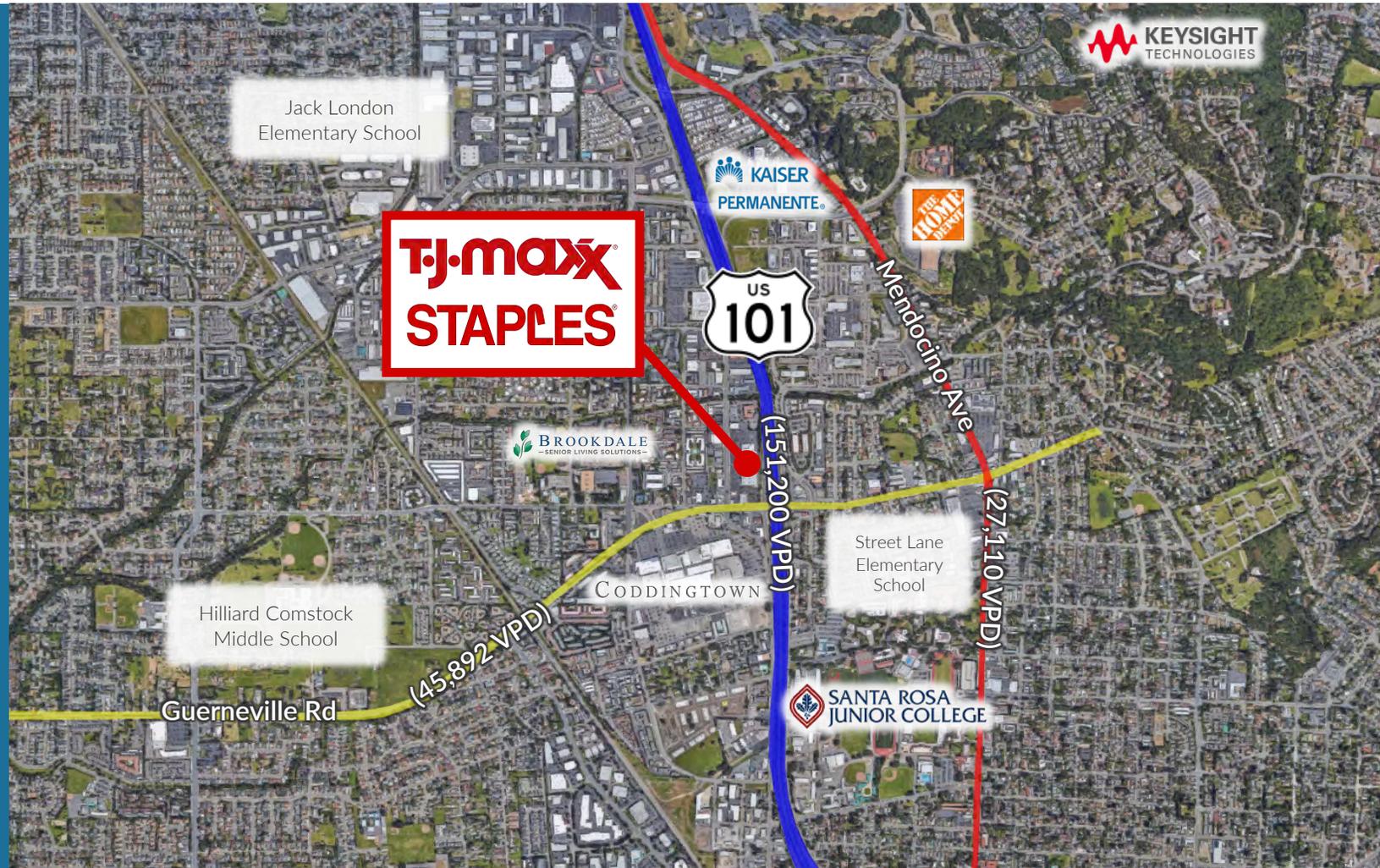
Population

1-MILE	3-MILE	5-MILE
21,723	128,574	205,292



Average Household Income

1-MILE	3-MILE	5-MILE
\$63,979	\$84,892	\$91,144



TENANT PROFILE



T.J. Maxx was founded in 1976, and together with Marshalls in the U.S., forms Marmaxx, the largest off-price retailer of apparel and home fashions in the U.S. T.J. Maxx is an American department store chain, selling at prices generally lower than other major similar stores. With stores across the U.S., including Puerto Rico and the District of Columbia, T.J. Maxx has more than 1,240 stores, since March 2019, in the United States, making it one of the largest clothing retailers in the country. T.J. Maxx is part of the TJX Companies, Inc.

The TJX Companies, Inc. is the leading off-price retailer of apparel and home fashions in the U.S. and worldwide. As of February 2, 2019, the end of the Company’s fiscal year, the Company operated a total of 4,306 stores in nine countries, the United States, Canada, the United Kingdom, Ireland, Germany, Poland, Austria, the Netherlands, and Australia, and three e-commerce sites. These include 1,252 T.J. Maxx, 1,091 Marshalls, 749 HomeGoods, 35 Sierra, and 16 Homesense stores, as well as tjmaxx.com and sierra.com in the United States; 271 Winners, 125 HomeSense, and 88 Marshalls stores in Canada; 567 T.K. Maxx and 68 Homesense stores, as well as tkmaxx.com, in Europe; and 44 T.K. Maxx stores in Australia.



COMPANY TYPE
NYSE: TJX



FOUNDED
1976



OF LOCATIONS
T.J. Maxx: 1,241+
Corporate: 4,036+



HEADQUARTERS
Framingham &
Marlborough, MA



WEBSITE
tjmaxx.com
tjx.com



LEASE SUMMARY

TENANT	T.J. Maxx
PREMISES	Approximately 29,602 SF
LEASE COMMENCEMENT	October 31, 2007
LEASE EXPIRATION	October 31, 2027
LEASE TERM	8+ Years Remaining
RENEWAL OPTIONS	2 x 5 Years
RENT INCREASES	10% at Options and on November 1, 2022
LEASE TYPE	Triple Net (NNN)
PERMITTED USE	Retail
PERCENTAGE RENT	2% Over a Natural Break Point



CO-TENANCY REQUIREMENT If For a Period of More Than 180 Consecutive Days Staples or a National Retail Chain With at Least 75 Stores or a Regional Retail Chain With at Least 35 Stores and Containing at Least 20,000 SF is Not Open For Business, Tenant Shall Pay Landlord Monthly Minimum Rent or 3% Of Gross Sales, Whichever is Less

PROP 13 PROTECTION Limited Prop 13: Tenant is Not Obligated to Pay Tax Increases Due to Change in Ownership No More Than 1 Time Every 5 Yrs

TERMINATION RIGHTS Landlord May Terminate Lease With 30 Days Notice, if Tenant Closes For 180 Consecutive Days. If For a Period of More Than 180 Consecutive Days Staples or a National Retail Chain With at Least 75 Stores or a Regional Retail Chain With at Least 35 Stores and Containing at Least 20,000 SF is Not Open For Business, Tenant May Provide Notice of Termination at Any Time

LANDLORD OBLIGATIONS Landlord Shall Maintain the Foundation, Roof and Exterior Portions of the Building

TENANT OBLIGATIONS Tenant Shall Maintain in Good Order and Repair (Except For Ordinary Wear and Tear) the Premises and HVAC

TENANT PROFILE



Staples, Inc. is an American B2B company that provides businesses and customers with office products and solutions through eCommerce and direct sales. The company opened its first store in Brighton, Massachusetts on May 1, 1986 and is also headquartered in Framingham, Massachusetts.

The company consists of three distinct legal entities – its digital and delivery business, referred to as Staples, Staples U.S. Retail and Staples Canada. Staples does business with enterprises in the United States and Canada through their membership program, selling office, facility and breakroom supplies, technology solutions, and furniture and décor. Staples U.S. Retail is a chain of American retail stores that sell office supplies, office machines, promotional products, technology, and business services and print & marketing services. As of the start of the current fiscal year, Staples had 1,255 U.S. stores and 304 Canadian locations. In April 2019, Staples, Inc. went through a full brand transformation, underscoring its separation from Staples retail stores. Now, Staples, Inc. stands alone as the company’s digital and delivery business.



COMPANY TYPE
Private



FOUNDED
1986



OF LOCATIONS
1,559+



HEADQUARTERS
Framingham, MA



WEBSITE
staples.com



LEASE SUMMARY

TENANT	Staples
PREMISES	Approximately 20,388 SF
LEASE COMMENCEMENT	September 4, 2007
LEASE EXPIRATION	September 30, 2022
LEASE TERM	3+ Years Remaining
RENEWAL OPTIONS	2 x 5 Years
RENT INCREASES	10% at Options
LEASE TYPE	Triple Net (NNN)
EXCLUSIVE RESTRICTIONS / RESTRICTED USE	Exclusive Use For the Sale, Leasing or Distribution of Equipment (Including Computers and Telecommunications Equipment), Furniture or Supplies For Business or Office (Including Home Office) Use, or the Provision of Business or Office Services (Including Copying, Printing, Telecommunications, Packing and Shipping)
CAM RESTRICTIONS	Tenant's Share of CAM (Excluding Utility Costs) For Any Calendar Year Shall Not Exceed 105% of Tenant's Share of CAM (Excluding Utility Costs) For the Immediately Preceding Calendar Year
LANDLORD OBLIGATIONS	Landlord Shall Maintain Exterior and Structural Portions of the Building and the Other Buildings and Improvements Within the Center, Including Repairing and Replacing Foundations, Floor Slabs, Structural Supports and Roofs
TENANT OBLIGATIONS	Tenant Shall Maintain in Good Order and Repair (Except For Ordinary Wear and Tear) the Premises and HVAC



RENT ROLL

T.J. Maxx & Staples | 2222-2226 Cleveland Avenue | Santa Rosa, CA 95403



Actual Property Images

TENANT NAME	SQUARE FOOTAGE	% OF TOTAL	ANNUAL BASE RENT	RENT PER SF	RENTAL INCREASE	INCREASE DATES	LEASE BEGIN	LEASE END	OPTIONS
T.J. Maxx	29,602 SF	59.22%	\$578,719.10	\$19.55	10%	At Options & on 11/01/2022	10/31/2007	10/31/2027	2 x 5 Years
Staples	20,388 SF	40.78%	\$641,406.48	\$31.46	10%	At Options	09/04/2007	09/30/2022	2 x 5 Years
TOTAL	49,990 SF	100%	\$1,220,125.58						



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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.



T.J. Maxx & Staples | 2222-2226 Cleveland Avenue | Santa Rosa, CA 95403



Actual Property Image



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