

OFFERING MEMORANDUM

SPRINT | WELLS FARGO | SMOOTHIE KING | 850 CRAFT RESERVE Mary Esther, FL

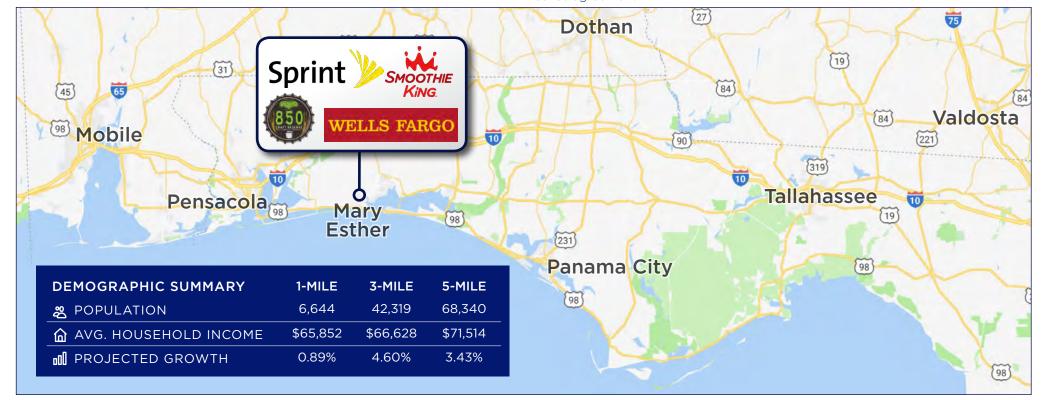
OFFERING SUMMARY

SPRINT | WELLS FARGO | SMOOTHIE KING | 850 CRAFT RESERVE 330 Mary Esther Blvd, Mary Esther, FL, 32569

PRICE	\$1,800,000
CAP RATE	7.00%
NOI	\$126,102
CURRENT OCCUPANCY	100%
CASH ON CASH RETURN	\$42,060 7.79%
SQUARE FOOTAGE	5,020 SF
YEAR BUILT/RENOVATED	1994/2011
LOT SIZE	0.69 AC

MAJOR TENANTS	GLA (%)	TERM REMAINING	RENT/SF
Sprint	55.48%	5 Years	\$25.00
SMOOTHIE King.	23.53%	10 Years	\$20.00
850	21.00%	1 Year*	\$18.14
WELLS FARGO	0.00%	4 Years	N/A

^{*850} Craft Reserve desires to sign a long term lease. They are currently under a 1 Year Licence agreement



INVESTMENT HIGHLIGHTS



100% LEASED STRIP CENTER WITH NATIONAL TENANTS

- The subject property is a Three Tenant Strip Center leased to a mix of National & Local Tenants and located as an outparcel to Santa Rosa Mall in Mary Esther, FL
- The strip has experienced strong leasing momentum with Smoothie King executing a new 10-Year lease in July of 2019 along with the installation of a Wells Fargo ATM Set to be complete July 2019
- After being in the center for 7 years, Sprint has recently shown their long term commitment to the site by signing an extension for an additional 5 Years



MASSIVE MALL REDEVELOPMENT UNDERWAY

- Santa Rosa Mall, a 734,000 sf mall that was built in 1976 and is the only enclosed shopping center within an hour driving distance, is currently anchored by JCPenney, Old Navy, Planet Fitness, Dillard's, and Regal Cinemas who just executed a 5-Year Extension with plans for an upgraded renovation.
- Santa Rosa Mall is currently undergoing massive reconstruction including a 230 unit multi-family redevelopment on the Vacant Belk site and the conversion of the Vacant Seats into a Self Storage & Retail Mixed Use development.



STRATEGIC HIGH TRAFFIC COASTAL LOCATION

- The subject property sits at a signalized intersection on Mary Esther Boulevard in a high traffic corridor (ADT of 24,000 +/-) that connects the city to Route 98, which is the main road from Pensacola to Panama City Beach.
- Surrounding National Retailers include: Walmart Supercenter, Sam's Club, Lowe's, Home Depot, Publix, T.J.Maxx, Target, LongHorn Steakhouse, Chili's, TGI Fridays, a new Holiday Inn, and multiple schools including the Liza Jackson Prep School which has over 800 students.
- Mary Esther is a densely populated affluent Coastal City with a 5 mile Pop. of 68,340 and Avg. HHI of \$71,5145-Mile: \$78,707
- Growth: 1-Mile: 18.07% | 3-Mile: 9.58% | 5-Mile: 6.03%



MARY ESTHER, FL | CRESTVIEW-FORT WALTON BEACH-DESTIN MSA

- Mary Esther, FL is located in the heart of Florida's Panhandle as a part of the heavy tourist driven Crestview-Fort Walton Beach-Destin MSA
- Florida has no State income Tax
- Mary Esther is located in Okaloosa County, whose largest employers are Eglin Air Force Base and Hurlburt Field (special ops for Air Force). The two bases have a combined economic impact of approximately \$6.6 billion annually on the Fort Walton Beach area and employ more than 23,000 civilians and military personnel.
- Along with the airforce base, the economy of Okaloosa County is heavily driven by tourism, which is already up 15% in 2019 over the previous year (Article: Tourism Booms Across Panhandle)

INVESTMENT SUMMARY



100% LEASED STRIP CENTER WITH NATIONAL TENANTS



LOCATED AS AN OUTPARCEL TO SANTA ROSA MALL · MASSIVE REDEVELOPMENT UNDERWAY 230 APARTMENTS · SELF STORAGE



COASTAL LOCATION



NO STATE INCOME TAX IN FLORIDA



HIGH TRAFFIC RETAIL CORRIDOR

FINANCIAL SUMMARY

PRICING	CURRENT
PRICE	\$1,800,000
CAP RATE	7.00%
NET OPERATING INCOME (NOI)	\$126,102
CASH ON CASH RETURN	\$42,060 7.79%
CURRENT OCCUPANCY	100%

ANNUALIZED OPERATING DATA	CURRENT
BASE RENT	\$127,361
TOTAL REIMBURSEMENTS	\$28,929
TOTAL GROSS REVENUE	\$156,290
TOTAL EXPENSES	(\$30,189)
NET OPERATING INCOME	\$126,102
PROPOSED DEBT SERVICE	(\$84,042)
CASH FLOW AFTER DEBT SERVICE	\$42,060 7.79%

EXPENSES	
REAL ESTATE TAXES	(\$17,000)
CAM	(\$5,020)2
INSURANCE	(\$2,711)
MANAGEMENT FEE	(\$4,454)³
STRUCTURAL RESERVE	(\$1,004)4
TOTAL EXPENSES	(\$30,189)

EXPENSE NOTES

- 1. Taxes are based on Projected Sales Price
- 2. All CAM is provided by the owner of Santa Rosa Mall and will be charged to the owner of this property an annual fixed expense of \$5,020. This will cover all CAM Charges
- 3. 3.0% of Total Gross Revenue
- 4. \$0.15 Per Square Foot

PROPOSED FINANCING (OFFERED FREE & CLEAR OF DEBT)					
LOAN AMOUNT (LTV)	\$1,260,000 70%				
DOWN PAYMENT	\$540,000 30%				
INTEREST RATE	4.50%				
AMORTIZATION	25 YEARS				
TERM REMAINING	10 YEARS				
MATURITY DATE	2029				
ANNUAL DEBT SERVICE	\$84,042				
DEBT COVERAGE RATIO	1.50				



1 NOTES	TENANT DBA/CREDIT Sprint Sprint 1. Sprint recently agreed to extend their to 2. Sprint has a fixed CAM charge that income.	term for 5	% OF GLA 55.48%	LEASE T BEGIN Jul-2012	END Jul-2024	RENTAL RATES BEGIN Current (Opt. 1) OPTIONS One / 5 Year	PSF \$25.00	ANNUAL \$69,625	PSF	+ INS TOTAL		TOTAL		NSE RECOVERY LATION METHOD
1 NOTES	Sprint Sprint Sprint 1. Sprint recently agreed to extend their t	2,785	GLA			Current (Opt. 1)					PSF	TOTAL		
NOTES	Sprint 1. Sprint recently agreed to extend their to	term for 5	55.48%	Jul-2012	Jul-2024	OPTIONS	\$25.00	\$69,625	\$4.28					
NOTES	Sprint recently agreed to extend their to a second their to a	term for 5							+	\$11,928	\$3.39	\$9,431	CAM:	Fixed
NOTES	Sprint recently agreed to extend their to a second their to a	term for 5				One / 5 Year							TAX:	PRS
NOTES	Sprint recently agreed to extend their to a second their to a	term for 5				•							INS:	PRS
NOTES	1. Sprint recently agreed to extend their to 2. Sprint has a fixed CAM charge that inc	term for 5				Opt. 2: Aug-24	\$41.50	\$115,577					мсмт:	None
		.1 eases 5%	years con annually	nmencing o . The currer	on 8/1/2019 to at charge for	act as their first op CAM is \$3.74 PSF. Sp	otion. They print Reim	now have one a burses Pro Rata	dditional Share for	option re Taxes & I	maining nsurand	g. ee.		
2	850 Craft Reserve	1,054	21.00%	May-2019	Apr-2020	Current	\$18.14	\$19,116	N/A	N/A	N/A	N/A	N/A	
	850					Jun-26								
NOTES	1) 850 Craft Reserve is under a 1 Year lisce for potential upside for a buyer 2) 850 Craft Reserve is on a Gross lease a	·				ed at anytime by the	e landlord.	The operator w	ould like t	o sign a lo	ong tern	n lease but	the seller ha	s elected to keep as
3	Smoothie King	1,181	23.53%	Jul-2019	May-2029	Current	\$20.00	\$23,620	\$6.41	\$7,570	\$-	\$-	САМ:	Fixed
	1 A 2					Jun-26	\$21.00	\$24,801					TAX:	Fixed
	SHOOTHE					OPTIONS							INS:	Fixed
	SMOOTHIE King.					One / 5 Year	\$22.00	\$25,982					мсмт:	None
	Smoothie King pays a fixed "Operating Clease the current ownership has agreed					urance, and Manage	ement. This	s "Fixed Costs C	harge" sta	arts at \$6.4	41 PSF a	nd increas	es at 3% annı	ually. As a part of the
4	Wells Fargo ATM WELLS FARGO	0	0.00%	Jul-2019	Jun-2024		\$-	\$15,000	N/A	N/A	N/A	N/A	N/A	
NOTES	The wells Fargo ATM is currently under c	onstructi	on and is	set to be co	mplete this 3	July								
	TOTAL OC	CUPIED	5.020		100%									









TENANT OVERVIEW



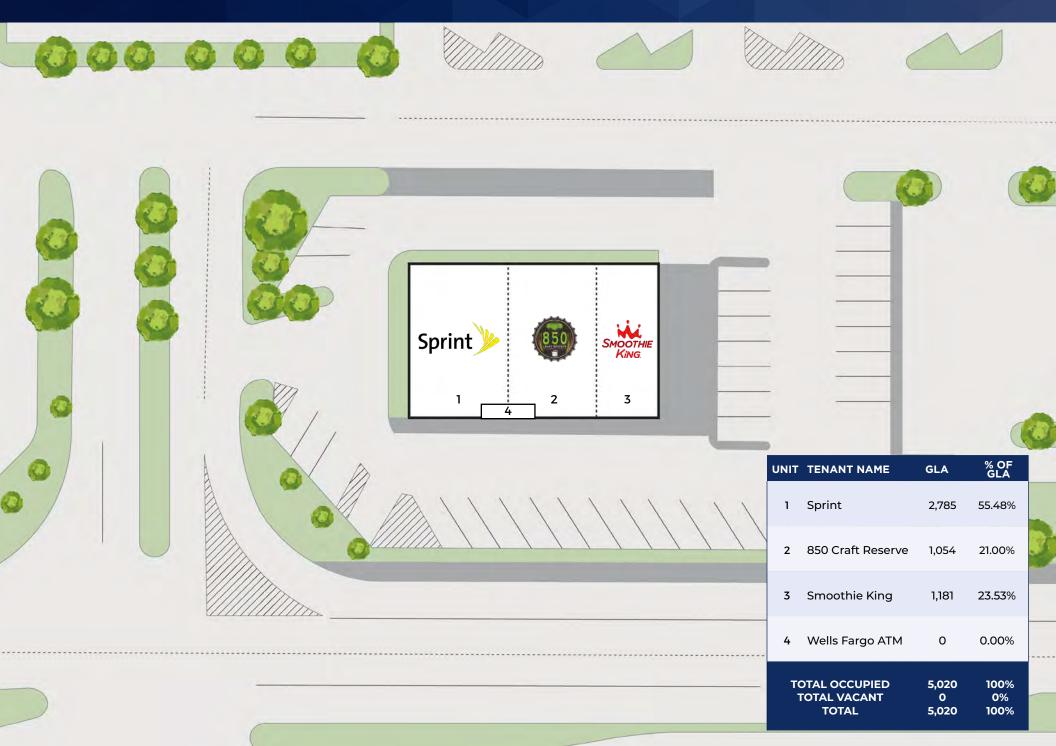


Sprint Corporation is an American telecommunications company that provides wireless services and is an internet service provider, based in Overland Park, Kansas. It is the fourth-largest mobile network operator in the United States and serves 54 million customers as of October 2017. The company also offers wireless voice, messaging, and broadband services through its various subsidiaries under the Boost Mobile, Virgin Mobile, and Assurance Wireless brands, and wholesale access to its wireless networks to mobile virtual network operators. The company is headquartered in Overland Park, Kansas.





When visits to various doctors did little to relieve the allergies Steve Kuhnau was suffering from, he used his nursing expertise and the drink mixing experience he gained as a soda jerk in high school, Kuhnau began experimenting with high protein drinks. The resulting product combined fresh fruits, vitamins and other supplements and inspired the creation of Kuhnau's company, Smoothie King. Each Smoothie King store sells smoothies and a variety of vitamins, minerals, low fat snacks and nutritional supplements.









CRESTVIEW-FORT WALTON BEACH-DESTIN MSA

Mary Esther is located in Okaloosa County, whose largest employers are Eglin Air Force Base and Hurlburt Field (special ops for Air Force). The two bases have a combined economic impact of approximately \$6.6 billion annually on the Fort Walton Beach area and employ more than 23,000 civilians and military personnel. Along with the airforce base, the economy of Okaloosa County is heavily driven by tourism, which is already up 15% in 2019 over the previous year (Article: Tourism Booms Across Panhandle). Over the next decade-plus, \$1.5 billion will be directed to Northwest Florida for economic development enhancements.

Northwest Florida is home to six major military installations, all with aviation/aerospace-related missions, which have a huge impact on the industries, R&D and talent pool in the region. Defense contractors, manufacturers, and high-tech businesses located in the region benefit from the skills of the 3,000 service members that separate each year. The region also has several shovel-ready sites off Interstate 10 and around key transportation corridors.

The area is home to key market leaders such as Boeing, Eastern Shipbuilding, Eastman, General Dynamics, Lockheed Martin, Navy Federal, Trane and many others. Three deep-water seaports and three commercial airports reaching U.S. & International markets service the area, along with Class 1 Rail CSX and major interstate I-10 which connects to I-65, I-75, and I-85 to reach the entire Southeastern United States.

DEMOGRAPHICS

	1-Mile	3-Mile	5-Mile	7-Mile	10-Mile
POPULATION					
2023 PROJECTION	6,703	44,265	70,684	83,133	96,029
2018 ESTIMATE	6,644	42,319	68,340	81,312	93,191
GROWTH 2018 - 2023	0.89%	4.60%	3.43%	2.24%	3.05%
2010 CENSUS	6,193	38,629	62,192	73,868	84,716
DAYTIME POPULATION					
2018 ESTIMATE	11,587	52,507	79,428	103,549	114,551
HOUSEHOLDS					
2023 PROJECTIONS	2,882	18,997	30,466	35,618	40,810
2018 ESTIMATE	2,821	17,897	29,082	34,449	39,140
GROWTH 2018 - 2023	2.18%	6.15%	4.76%	3.39%	4.26%
2010 CENSUS	2,625	16,365	26,472	31,270	35,542
2018 ESTIMATED POPULA	TION BY RAC	E			
% WHITE	69.86%	69.39%	72.26%	73.24%	74.10%
% AFRICAN AMERICAN	17.10%	15.57%	13.21%	12.41%	11.69%
% ASIAN	4.73%	4.19%	3.98%	3.93%	3.94%
% AMERICAN INDIAN	0.63%	0.69%	0.69%	0.66%	0.65%
% HAWAIIAN/PACIFIC	0.22%	0.26%	0.25%	0.26%	0.26%
% MULTI-RACE	4.74%	5.38%	5.49%	5.60%	5.55%
% OTHER	2.73%	4.53%	4.13%	3.91%	3.81%
2018 ESTIMATED HOUSEH	IOLD INCOM	E			
2018A EST. AVERAGE HOUSEHOLD INCOME	\$65,852	\$66,628	\$71,514	\$74,251	\$75,776
2018 EST. MEDIAN HOUSEHOLD INCOME	\$53,114	\$53,440	\$55,756	\$57,185	\$58,109
2018 EST. PER CAPITA INCOME	\$28,300	\$28,424	\$30,676	\$31,672	\$32,032

	1-Mile	3-Mile	5-Mile	7-Mile	10-Mile
2018 POPULATION 16+ BY	EMPLOYMEN	IT STATUS			
EMPLOYED CIVILIANS	89.95%	89.74%	89.56%	89.23%	89.23%
UNEMPLOYED	3.36%	3.76%	3.59%	3.51%	3.46%
NOT IN LABOR FORCE	22.18%	23.89%	24.27%	24.63%	25.08%
2018 POPULATION 25 + BY	EDUCATION	LEVEL			
ELEMENTARY (0-8)	2.04%	2.38%	2.13%	1.98%	1.97%
SOME HIGH SCHOOL (9-11)	7.84%	8.47%	7.19%	6.52%	6.37%
HIGH SCHOOL GRADUATE (12)	27.50%	29.09%	27.91%	27.11%	27.03%
SOME COLLEGE (13-15)	27.77%	25.90%	26.21%	26.17%	25.98%
ASSOCIATES DEGREE ONLY	11.67%	10.39%	9.84%	10.00%	10.22%
BACHELORS DEGREE ONLY	15.96%	15.84%	16.87%	17.64%	17.89%



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Dated:		
Zach Taylor Marcus & Millichap 1100 Abernathy Road, NE, S Atlanta, GA 30328	uite 600	Phone: (678) 808-2780 ztaylor@marcusmillichap.com
Re: 330 Mary Esther Blvd M Craft Reserve)	ary Esther, FL 32569 (Sprint	Wells Fargo Smoothie King 850
Dear Zach:		
1	rchase the above referenced Prop perty under the following terms	perty. This letter expresses Purchaser's and conditions:
Purchaser		
Purchaser's Address		
Purchaser's Phone		
Purchaser's Email Address		
Offer Price		
Earnest Money	the Effective Date of the Cincreased to \$100,000 at the	sit due within forty-eight (48) hours of Contract. The Earnest Money shall be e expiration of the Inspection Period fundable barring any other listed
Inspection Period	on which the latter of the pa Purchase. All available Due	ective Date, which shall mean the date arties executes a Contract for Sale and Diligence Documents ("Documents") rely upon the Effective Date of the

Purchaser's Initials _____ Seller's Initials _____

Financing Period (Please Check One)	☐ All Cash (No Financing Period)
	☐ Purchaser shall have ten (10) days from the Effective Date of the Contract to apply for and obtain a financing commitment. In addition, Purchaser shall have 30 days from the expiration of the effective date of the contract to complete loan processing
Closing Date	30 Calendar Days after the expiration of the Inspection Period (or Financing Period if applicable).
Closing Costs	Seller shall pay for the transfer tax. Buyer shall pay for Title. Purchaser and Seller shall each bear its own attorneys expenses. All other Closing Costs shall be split 50-50 between Buyer and Seller.
Property Condition	Property is being sold "AS IS" with Seller making representations or warranties concerning the property.
Contract within 10 days:	Within Ten (10) Calendar Days of the Effective Date of this Letter of Intent, Purchaser and Seller shall enter into a binding Contract (the "Contract"). Seller will Draft the Contract and Failure to reach an agreement will allow the Seller to consider this agreement void and accept offers from other parties.
Broker Commission	☐ Purchaser acknowledges that Zach Taylor of Marcus & Millichap will represent them in this transaction. Any commissions due to the Purchaser's broker (if applicable) shall be paid by the Seller directly.
	☐ Purchaser acknowledges that of
	will represent them in this transaction. Any commissions due to the Purchaser's broker (if applicable) shall be paid by the Seller directly.
1031 Exchange	Purchaser is / is not (check one) completing an IRS 1031 Tax Deferred Exchange, to which the Seller agrees to cooperate providing there is no cost or expense to Seller. Purchaser has in an exchange account from a transaction which closed escrow on Purchaser will provide Seller, upon request, proof of such funds.
Confidentiality	Purchaser and Purchaser's agents and representatives hereby covenant with Seller that Purchaser and Purchaser's agents and representatives shall not, without the prior written consent of Seller (which consent may be withheld in Seller's sole and absolute discretion), disclose to any other person (other than Purchaser's accountants and attorneys) or entity by any means whatsoever:

Purchaser's Initials _____ Seller's Initials _____

(i)any information pertaining to the Documents; (ii) any information pertaining to the Contract; or (iii) any information or documentation (written or oral) provided by Seller or Seller's agents and representatives concerning Seller, Seller's business, Tenant, Tenant's business or the Property.

This Letter of Intent is contingent upon the prospective Purchaser's willingness to execute Seller's standard Purchase Agreement as well as review and approval of the details of the transaction proposed above by the appropriate principal parties of the Seller.

It is understood and agreed that the foregoing constitutes a *Letter of Intent* setting forth the major business points from our discussions. It is further understood that neither party intends to create any contractual rights or obligations as a result of entering into this *Letter of Intent*. No binding agreement or rights or obligations shall arise as the result of executing this letter or with respect to the proposed transactions, unless and until we execute definitive documentation incorporating the above provisions and other appropriate terms.

If the foregoing accurately reflects our discussions, please acknowledge same by returning a signed copy of this letter. Execution of this Letter of Intent by the undersigned agent in no way binds or obligates the Seller or any of its principals.

Agreed and Accepted Purchaser	Agreed and Accepted Seller
By:	By:
Printed:	Printed:
Dated:	Dated: