

OFFERING MEMORANDUM

CALIBER COLLISION

PHOENIX
ARIZONA

Marcus & Millichap
NNN DEAL GROUP



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Marcus & Millichap



TABLE OF CONTENTS

Why buy a Caliber Collision?	4
Investment Highlights.....	5
Investment Summary	6
Investment Highlights (Con't)	7
Aerial Map	9
Tenant Summary.....	10
MACRS Depreciation	13
Site Plan	14
Location Overview	15
Location Highlights.....	16
Location Map	17
Demographics	18



WHY BUY A CALIBER COLLISION?



1,200+
LOCATIONS



40
STATES

WHY BUY A CALIBER COLLISION?

- ❖ Caliber is the largest and one of the most profitable players in the industry with auto insurance driven contracts as a steady feeder of inventory
- ❖ Recession, e-commerce and pandemic resistant offering a stable market demand, as long as there are cars on the road, there will be a need for body work
- ❖ Caliber has ever growing partnerships with various local and nationally known auto dealerships
- ❖ Repeatedly out performs competitors across key performance metrics
- ❖ Brand recognition, thereby creating a level of consumer confidence

CRITICAL LINK BETWEEN INSURANCE CARRIERS & CALIBER CUSTOMERS

- ❖ Insurance companies control approximately 80% of all industry volume, and customer repair experience drives policy retention
- ❖ Insurance carriers offer guaranteed work satisfaction on repairs, Caliber's network supports guaranteed work, reinforcing client retention and consumer satisfaction
- ❖ The marriage between Caliber's mission supports a continued marriage between them and insurance partners

INVESTMENT HIGHLIGHTS

This newly constructed Caliber Collision will be deliverable in March of 2021 (estimated date). It will offer a true 15 year NNN lease with no landlord obligations and two 5-year options thereafter. Additionally, it offers 10% rent escalations every 5-years which hedges against inflation. The lease is corporate guaranteed and offers a passive investor a true sleep-at-night opportunity.

Marcus & Millichap
NNN DEAL GROUP

**ABSOLUTE
NNN**

**New 15 Year Absolute
Net Lease (Zero Landlord
Responsibilities) Featuring
10% Rental Increases
Every 5 Years.**

abra®

**ABRA Merger with Caliber
Collision, created a Leading
Collision Repair Chain of
more than 1,200 locations in
40 States, operated under
the Caliber Brand. ABRA is
a Leading Vehicle Damage
Repair Provider in the U.S.**

HELLMAN & FRIEDMAN

**Dominant Leadership:
Hellman & Friedman,
Private Equity Firm with Over
\$25 Billion of Total Assets,
they are majority
owners after merger.**



**Rent bumps
hedge against inflation.**



**Densely populated
growing region. Population
density exceeds 158,064
residents within 5-miles
from the site.**

INVESTMENT SUMMARY

24615 N 23RD AVE, PHOENIX, AZ 85085

PRICE: \$6,219,131

CAP: 5.50%

RENT: \$342,052

OVERVIEW

Price	\$6,219,131
Gross Leasable Area (GLA)	16,100 SF
Net Operating Income	\$342,052
CAP Rate	5.50%
Year Built	2021

ANNUALIZED OPERATING DATA

Lease Term	Annual Rent
1-5	\$342,052
6-10	\$376,257
11-15	\$413,883
Option 1	\$455,271
Option 2	\$500,798

LEASE ABSTRACT

Lease Type	NNN
Lease Term	15 Years
Lease Start	4/1/2021 est
Lease Expiration	4/1/2036 est
Renewal Options	2x5
Increases	10% Every 5-Years
Landlord Obligation	None At All

INVESTMENT HIGHLIGHTS

- ◆ New corporate guaranteed 15 year NNN lease.
- ◆ Brand-new construction, scheduled to open March 2021.
- ◆ No landlord obligations.
- ◆ Located in and amongst dense national retail including a Lowe's and Walmart anchored power center across the street from the subject site.
- ◆ Densely populated area with strong barriers to entry.
- ◆ Conveniently located just off the I-17 freeway.



158,064

TOTAL
POPULATION
WITHIN 5-MILE
RADIUS



61,486

AVERAGE
HOUSEHOLD
INCOME WITHIN
5-MILE RADIUS



22,262 VPD - WEST HAPPY VALLEY RD
9,238 VPD - N 23RD AVE







Insurance Campus

W HAPPY VALLEY RD - 22,262 VPD

Farmer's Insurance Campus

Adobe Mountain School

CALIBER COLLISION

BURGER KING

DISCOUNT TIRE CO. INC.



Wells Fargo Corporate Office

Phoenix Deer Valley Airport



I-17 - 127,495 VPD

W PINNACLE PEAK RD - 18,911 VPD

Deer Valley Middle School

Frito-Lay Inc

Barry Goldwater High School



Honeywell Aerospace





Cigna
Healthcare Corporate
Office Campus

Harkins
THEATRES
(14 screens)

USAA
Insurance Campus

BUFFALO WILD WINGS
BUFFALO WILD WINGS
RESTAURANT

VICTORIA'S SECRET

Panera
BREAD

SUBWAY

CHICK-FIL-A

SEPHORA

DICK'S
SPORTING GOODS

SLEEP **NUMBER**

IHop

Best Western PLUS

WELLS FARGO

Jack
in the box

CHASE

BEST BUY

PANDA EXPRESS

T-Mobile

ROSS
DRESS FOR LESS

Carl's Jr.

SHELL

LOWE'S

Olive Garden
ITALIAN KITCHEN

MATTRESS FIRM

BARNES & NOBLE
BOOKSELLERS

COSTCO PLUS
WORLD MARKET

PETCO
Where the pets go.

BURGER KING

DISCOUNT
TIRE CO. INC.

Holiday Inn Express & Suites

CALIBER COLLISION

DOLLAR TREE

Party City

Hampton Inn & Suites

GameStop

HomeWood Suites
Hilton

Walmart

TJ-maxx

OLD NAVY

Famous Footwear

ULTA
BEAUTY

TILLYS
CLOTHING • SHOES • ACCESSORIES

INTERSTATE
17

I-17 - 127,495 VPD

N 23RD AVE - 9,238 VPD

W HAPPY VALLEY RD - 22,262 VPD

TENANT SUMMARY

CALIBER COLLISION

OMERS has been the parent company for Caliber Collision since 2013. Once the merger with Abra took place in February 2019, Hellman & Friedman became the majority ownership, with Omer being minority shareholder.

OMERS Private Equity (Toronto, Canada & Lewisville, Texas): A Worldwide company. OMERS Private Equity has been making private equity investments since 1987 on behalf of OMERS, one of Canada's largest pension plans with in excess of \$60.8 billion of assets. They manage over \$6.5 billion of investments globally. Being part of a pension fund has its advantages. It affords the ability to focus on investing in businesses for long-term value creation rather than near-term earnings. Capital is readily available eliminating the need to fundraiser. It also provides the opportunity to leverage the relationships of the other investment entities and resources of OMERS.

OMERS bought Caliber Collision repair services in November 2013. Caliber is one of the largest independent provider of auto collision repair services in the United States with a network of 157 collision centers located in California, Texas, Arizona, Nevada, Oklahoma, and Colorado. The Company has approximately 3,700 employees and repairs more than 450,000 vehicles annually.

OMERS Administrative Corp – Standard & Poor's AA+ Rated
Moody's Rated B2

CALIBER COLLISION



LEWISVILLE, TX
HEADQUARTERS

1997

FOUNDED

1,200

LOCATIONS

PRIVATE

OWNERSHIP

AUTOMOTIVE

INDUSTRY

\$4 Bil

ANNUAL REVENUE (EST)

**MARK
SANDERS**

PRESIDENT/COO

AMERICA'S LARGEST COLLISION REPAIR COMPANY

CALIBER COLLISION CENTERS

Caliber Collision Centers is the largest collision repair company in America with more than 1,200 I-CAR Gold Class Professional certified collision repair centers across 40 states. Caliber is consistently ranked among the highest in customer satisfaction in the industry and backs all repair work with a written, lifetime warranty available at any of its repair centers. The company repairs more than 450,000 vehicles annually. Caliber Collision has undergone rapid recent growth by aggressively acquiring various local autobody repair shops. Caliber Collision has developed strategic partnerships with 57 car dealerships throughout the U.S. in addition to 34 insurance carriers, which include AAA, GEICO, Farmers, Liberty Mutual, Allstate, and USAA.

- ❖ **Caliber has strategic partnerships with 57 car dealerships throughout the US**
- ❖ **Caliber has contracted with 34 insurance carriers**

 **1,200**
LOCATIONS IN
40 STATES

 **\$4+ Billion**
APPROXIMATE
ANNUAL
REVENUE IN
2019

 **450,000+**
VEHICLES
REPAIRED
ANNUALLY

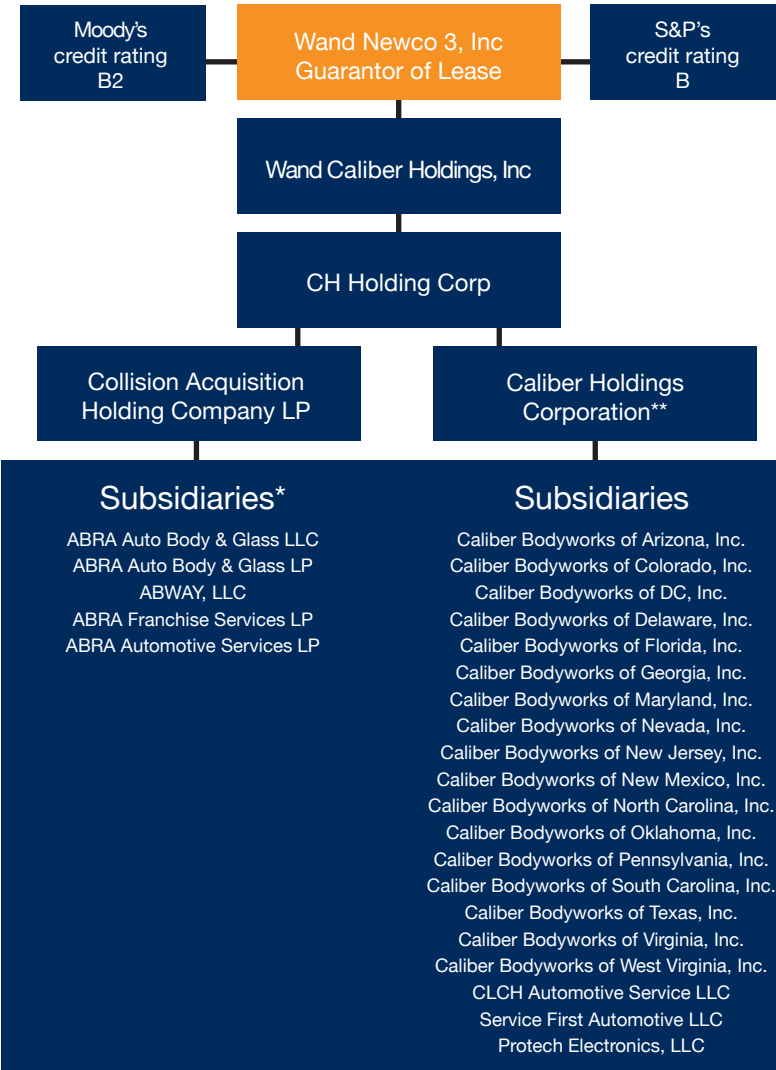
 **ABSOLUTE
INTERNET
PROOF
INVESTMENT**

 **QUALIFIES
FOR
ACCELERATED
DEPRECIATION**

#1
**NATION'S
LARGEST
COLLISION
REPAIR
COMPANY**

 **GROWING
MULTI-
BILLION
DOLLAR
INDUSTRY**

OWNERSHIP BREAKDOWN



* Omers minority shareholder

** Hellman & Friedman - majority ownership via merger with Abra 2/2019

HELLMAN & FRIEDMAN

“CALIBER MAJORITY OWNERSHIP VIA MERGER WITH ABRA”

HELLMAN & FRIEDMAN

- ❖ One of the most experienced and successful investment organizations in the private equity industry
 - ❖ Founded in 1984, H&F has raised over \$35 billion of committed capital and invested in more than 80 companies
 - ❖ H&F is currently investing out of its seventh fund with more than \$8.9 billion of committed capital
 - ❖ Offices in San Francisco, New York and London with more than ~50 investment professionals
- ❖ Investment philosophy focused on businesses with strong, defensible franchises and predictable revenue and earnings growth which generate attractive returns on the capital
- ❖ Strong investment experience across distribution and consumer-oriented businesses
 - ❖ Acquired Grocery Outlet with 3rd generation Read family Co-CEOs in October 2014

HELLMAN & FRIEDMAN



SAN FRANCISCO, CA
HEADQUARTERS

1984

FOUNDED

58

NO. OF COMPANIES
OWNED IN PORTFOLIO

PRIVATE

OWNERSHIP

\$25 BILLION

TOTAL ASSETS

HF.COM

WEBSITE

MACRS DEPRECIATION (MODIFIED ACCELERATED COST RECOVERY SYSTEM)

COST SEGREGATION BENEFITS

Cost segregation identifies personal property (generally 5- or 7-year recovery), land improvements (generally 15-year recovery), and other short-lived properties that have been erroneously classified as building property (39- or 27.5-year recovery), which can result in cost savings.

- ◆ MACRS allows for greater accelerated depreciation over longer time periods
- ◆ Deduct greater amounts during the first few years of an asset's life, and relatively less later
- ◆ Any property that is being depreciated can elect the MACRS accounting and do a cost segregation
- ◆ Take advantage of the new 100% bonus depreciation rules that started in 2018
- ◆ Greatly reduce recapture on projects with rehab, renovation or capital expenditures

Subject property qualifies for tax savings via accelerated depreciation via cost segregation.

Call today to see if cost segregation is right for you!

KIMBERLY LOCHRIDGE

Executive Vice President

(971) 213-8686

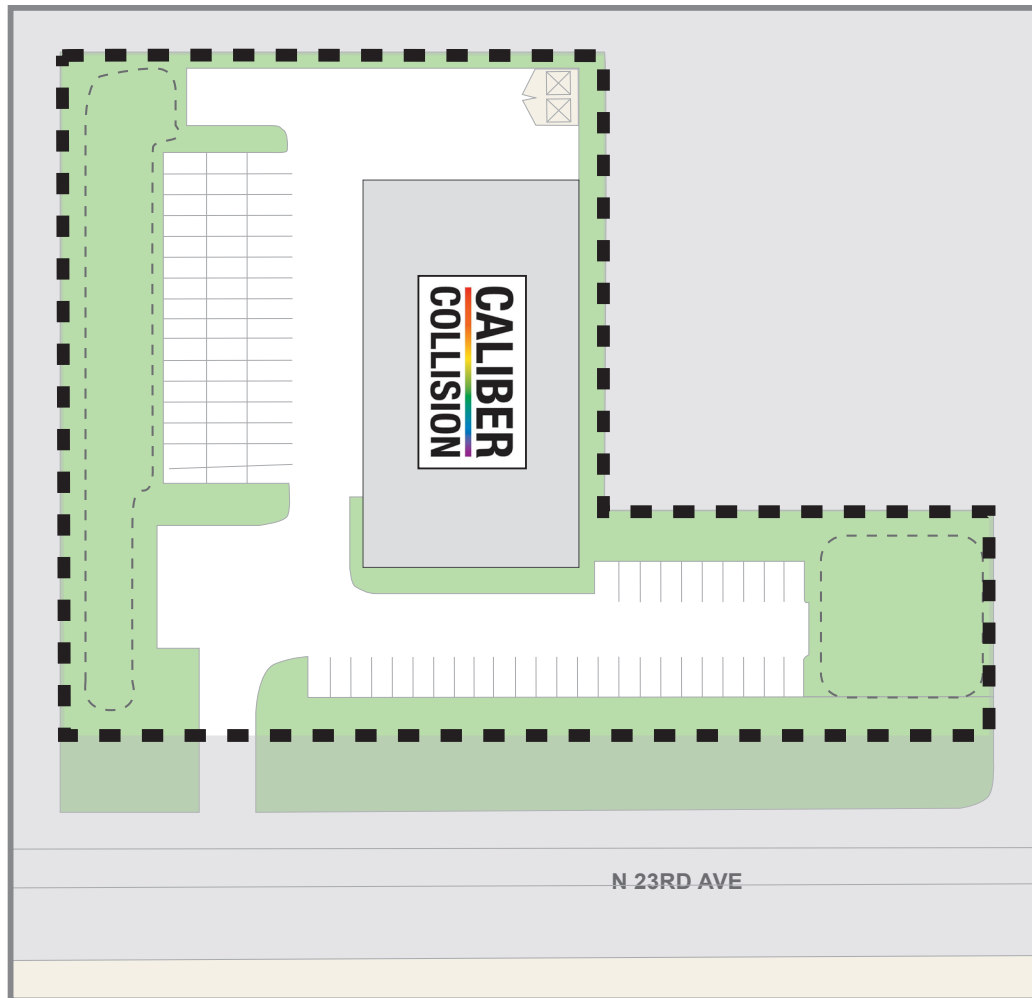
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SITE PLAN



LOCATION OVERVIEW

PHOENIX, ARIZONA

PHOENIX'S CENTRALIZED LOCATION

Known as Arizona's Urban Heart, Phoenix is the capital of and largest city in Arizona, with a population of 1.62 million people in the Phoenix-Mesa-Scottsdale MSA. Phoenix has a median age of 33.4 and a median household income of \$52,062, compared to the U.S. median age of 37.9 and median income of \$57,617. The Phoenix area has a young population because of its many colleges, but as a result has a lower median household income. Phoenix's centralized location within its MSA makes it the perfect location for easy access around Maricopa County. Scottsdale, Tempe and Glendale are all less than 25 minutes from Verde Vista, partly because of the convenient transportation options enjoyed by the community's residents.

EMERGING TECHNOLOGY HUB

Arizona has emerged as a technology hub as more startup companies are deciding to park themselves in the region. Phoenix is spearheading the boom in the tech sector, attracting companies such as GoDaddy and Carvana. Companies are coming because of the Angel Investment Tax Credit program, a piece of pro-startup legislation that allows angel investors as much as a 35 percent tax credit when investing in qualified startup companies. Arizona also extended the refundable R&D tax credit program, which gives the Arizona Commerce Authority the ability to approve refunds up to \$5 million in any calendar year for companies with fewer than 150 employees. This credit remains a key incentive, as it is the top research and development tax credit in the nation. Both pieces of legislation have helped Arizona lead the way

in niche technology sectors like 3D printing, artificial intelligence & machine learning, autonomous vehicles, and financial technology. The boom in Phoenix's technology sector will fuel population growth and high occupancy as talent flocks to Phoenix for the typically high-paying technology jobs.

PLETHORA OF OUTDOOR OPTIONS

Phoenix's desert terrain and weather make it the perfect spot for nature enthusiasts. Its rustic landscape has spectacular mountains for climbing, biking and other outdoor activities. Phoenix is home to some of the nation's biggest parks, including South Mountain Park, Phoenix Mountains Preserves, and hundreds of other beautiful hiking destinations. All of Arizona's professional sports teams, NFL's Arizona Cardinals, NBA's Phoenix Suns and MLB's Arizona Diamondbacks, are in Phoenix and within 30 minutes of Verde Vista.

CULTURAL AND DESIGN HUB

Phoenix is known for a thriving cultural, artistic and architectural scene. The Phoenix Symphony Hall is home to the Phoenix Symphony Orchestra, the Arizona Opera and the Ballet Arizona. Phoenix also boasts museums such as the Phoenix Art Museum, Arizona Capitol Museum and the Musical Instrument Museum. Phoenix has some of the most innovative architecture schools and studios in the nation and is close to the School of Architecture at Taliesin and several esteemed architecture studios like the Paolo Soleri (who created Arcosanti), Al Beadle and Blank Studio.



MAJOR EMPLOYERS PHOENIX, AZ

State of Arizona	37,655
Banner Health	36,213
Wal-Mart Stores Inc.	33,814
Wells Fargo	15,062
City of Phoenix	13,894
Arizona State University	13,480
Raytheon Missile Systems	12,000
HonorHealth	11,308
Dignity Health Arizona	11,206
University of Arizona	10,659

LOCATION HIGHLIGHTS

PHOENIX, ARIZONA GATEWAY TO THE WILD WEST



Strong daytime population



Minimal national auto body competition in the region



Popular destination retail region, surrounded by more than 88+ acres of national retail



High growth area, with new construction under way surrounding the immediate area, including a new Holiday Inn Express adjacent to the site, and several new housing communities also under construction



**CALIBER
COLLISION**

DEMOGRAPHICS / PHOENIX, AZ



158,064

Total Population
Within 5-Mile Radius



\$96,821

Average Household Income
Within 5-Mile Radius



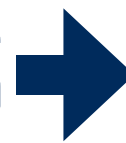
\$72,558

Median Household Income
Within 5-Mile Radius



61,486

Total Households Within
5-Mile Radius



53.18%

From 2000

POPULATION	1 MILE	3 MILES	5 MILES
2025 Projection	2,736	49,478	158,064
2020 Estimate	2,738	47,394	152,048
Growth 2020 - 2025	-0.07%	4.40%	3.96%
2000 Census	537	28,784	109,104
2010 Census	2,400	41,586	134,296
Growth 2000 - 2010	347.34%	44.48%	23.09%

HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2025 Projections	1,323	18,860	61,486
2020 Estimate	1,270	17,872	58,537
Growth 2020 - 2025	4.15%	5.53%	5.04%
2000 Census	151	10,459	40,138
2010 Census	1,098	15,384	50,850
Growth 2000 - 2010	628.63%	47.09%	26.69%

HOUSEHOLDS BY INCOME (2020 Est.)	1 MILE	3 MILES	5 MILES
\$200,000 or More	12.86%	6.56%	5.86%
\$150,000 - \$199,999	13.15%	9.13%	7.50%
\$100,000 - \$149,999	20.13%	19.94%	18.60%
\$75,000 - \$99,999	16.12%	16.26%	16.18%
\$50,000 - \$74,999	18.17%	19.68%	20.31%
\$35,000 - \$49,999	9.18%	11.12%	11.73%
\$25,000 - \$34,999	3.75%	7.05%	7.42%
\$15,000 - \$24,999	2.89%	5.15%	6.53%
\$10,000 - \$14,999	1.37%	2.35%	2.26%
Under \$9,999	2.37%	2.76%	3.60%
2020 Est. Average Household Income	\$145,109	\$105,270	\$96,821
2020 Est. Median Household Income	\$93,067	\$77,609	\$72,558
2020 Est. Per Capita Income	\$67,362	\$39,720	\$37,316

POPULATION PROFILE	1 MILE	3 MILES	5 MILES
2020 Estimated Population by Age	2,738	47,394	152,048
Under 4	7.6%	7.8%	6.7%
5 to 14 Years	10.4%	13.7%	12.9%
15 to 17 Years	4.0%	4.5%	4.0%
18 to 19 Years	1.6%	2.3%	2.2%
20 to 24 Years	8.2%	6.1%	6.2%
25 to 29 Years	14.1%	8.2%	8.1%
30 to 34 Years	11.8%	8.3%	7.9%
35 to 39 Years	8.6%	8.4%	7.7%
40 to 49 Years	12.8%	15.2%	14.7%
50 to 59 Years	10.6%	12.5%	13.8%
60 to 64 Years	4.0%	4.8%	5.6%
65 to 69 Years	2.6%	3.3%	4.0%
70 to 74 Years	1.6%	2.5%	2.9%
Age 75+	1.9%	2.5%	3.3%
2020 Median Age	31.6	34.4	36.4
2020 Population 25 + by Education Level	1,868	31,075	103,483
Elementary (0-8)	0.67%	1.28%	1.70%
Some High School (9-11)	2.14%	3.45%	4.82%
High School Graduate (12)	15.93%	20.30%	22.34%
Some College (13-15)	21.43%	26.90%	26.88%
Associates Degree Only	9.84%	9.74%	9.14%
Bachelors Degree Only	32.00%	24.67%	22.87%
Graduate Degree	16.80%	12.60%	11.21%



FILE PHOTO. NOT REPRESENTATIVE OF THE SUBJECT SITE

CALIBER COLLISION

PHOENIX
ARIZONA

Lior Regenstreif

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