



# PEGASUS

SunTrust Park  
home of the



Video



Cumberland Marketplace

# CUMBERLAND MARKETPLACE

ACROSS FROM NEW \$1.3B ATLANTA BRAVES STADIUM DEVELOPMENT

# EXCLUSIVE LISTING AGENTS

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# PEGASUS





# CUMBERLAND MARKETPLACE

2680 - 2700 COBB PARKWAY | SMYRNA, GA 30080



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# EXECUTIVE SUMMARY

## OFFERING SUMMARY

Pegasus Investments, as exclusive investment sales advisor to the Seller, is pleased to offer the opportunity to acquire Cumberland Marketplace: A net leased, 16 tenant neighborhood shopping center located in the exciting Cumberland Community Improvement Development District in Atlanta, Georgia. The 27,865 SF property is over 95% occupied and offers significant long term upside. Cumberland Marketplace was constructed in phases between 2001 and 2007 and has historically strong occupancy from local and regional tenants, in addition to a successful drive-thru Starbucks pad. The property, which sits on over 3.6 acres of land, benefits from its location directly across from the newly 2017 constructed Atlanta Brave's SunTrust Stadium and \$1.1Bn Battery mixed-use development. 15 of 16 tenants pre-date the opening of the Stadium, allowing a new owner to benefit from the synergy of the development and improve the credit of the tenancy and raise rents in the future as leases roll.



Within Cumberland Marketplace, the existing tenants are primarily a stable mix of service-oriented businesses and food uses, providing security to investors who are concerned about potential long term effects of e-commerce on general retail. They share excellent ingress and egress points with the neighboring parcels. The adjoining Walgreens, which benefits from exceptionally high sales, is also available for sale through Pegasus Investments (the Walgreens owner is an unrelated owner to Cumberland Marketplace). Cumberland Marketplace offers a rare blend of in-place cash-flow, future rental upside and the possibility of a long-term assemblage and potential redevelopment.

## FINANCIAL HIGHLIGHTS

Price	\$9,500,000
Cap Rate	6.63%
Gross Leasable Area	27,865 SF
Lot Size	3.66 Acres
Year Built	2001 / 2007 (2 Phases)
Current Occupancy	95.3%
Net Operating Income	\$629,964

### DEBT QUOTE

Purchase Price	\$9,500,000
Loan Amount	\$7,125,000
Down Payment	\$2,375,000
LTV	75%
Interest Rate	4.45%
Amortization	30 Years

### PROPERTY WILL BE DELIVERED FREE AND CLEAR OF DEBT

	YEAR 1	YEAR 5	YEAR 10
Net Operating Income	\$629,964	\$710,983	\$823,399
Debt Service	\$430,679	\$430,679	\$430,679
Cash Flow	\$199,285	\$280,304	\$392,720
Cash on Cash Return	8.39%	11.80%	16.54%

# INVESTMENT HIGHLIGHTS

## ABSOLUTE NNN LEASES

- Nearly 90% of tenants are responsible for all maintenance and upkeep of the property, including the roof, structure, parking lot and management reimbursement.
- Multiple investment grade tenants with corporate backed leases.
- Fee simple land & building provides ownership with favorable depreciation.

## STABILIZED INVESTMENT WITH TREMENDOUS UPSIDE

- With the increased traffic and economic activity at the Battery and SunTrust Park across the street, the center is poised for active management to transition tenancy to national retailers.
- Relocation clauses provide an immediate opportunity to reposition most tenants within the center and buyout clauses offer the investor further flexibility in the short term.
- Most tenants are paying significantly under-market rent, as rental rates have increased locally since the opening of the Brave's stadium.

## RAPIDLY GROWING, HIGH INCOME POPULATION

- Impressive trade area demographics with 5-mile density approaching 225,000 and average household incomes over \$95,000.
- Population is forecasted to grow over 8.0% in the next five years.
- Since 2010 the area's millennial population has jumped 32%: The **highest** millennial growth rate of any community in the Atlanta metro.



# INVESTMENT HIGHLIGHTS

## E-COMMERCE RESISTANT, LONG TERM TENANCY

- Nearly 90% of the tenants are internet-resistant businesses, offering food or service.
- Excellent access and visibility to stand-alone, high performing drive-thru Starbucks.
- The property is currently 95.3% occupied and has a history of high occupancy.
- Eight tenants have been at this location for over five years and several have been at the center for more than a decade.

## IRREPLACEABLE INFILL, REAL ESTATE

- Strategically located just north of the I-285/US 41 interchange, the property is situated on 3.66 acres at the hard, signalized corner of Cobb Parkway/US 41 and Cumberland Boulevard, two of the market's most highly trafficked retail corridors; The site includes multiple access points off both Cobb and Cumberland.
- The subject property is located just steps from the brand new Braves SunTrust Park and The Battery Atlanta, a \$1.3B, 1.5M SF mixed use development surrounding the stadium that will house over 1,600 new employees and 1,300 new residents once complete.
- The Braves have seen a 37% increase in attendance year-over-year since the move to the new complex.
- **Adjacent parcel also for sale:** Extremely high performing Walgreens is also for sale by separate owner providing a once in a generation investment opportunity in an irreplaceable real estate assemblage located across from the most highly anticipated sporting venue and lifestyle developments in the country.

## LOCATED IN THE EPI-CENTER OF THE MOST EXCITING GROWTH STORY IN THE SOUTHEAST

- The subject property is centrally positioned near the middle of the Cumberland Community Improvement District, a self-taxing district established to improve the area's infrastructure to encourage continued development and investment.
- The Cumberland CID, a 6.5 square mile zone, only accounts for 1.6% of Cobb County's land area but 33% of its economy.
- Including the nearly complete Battery/SunTrust Park, more than two dozen commercial and residential projects are under construction in the CID including 5,300 new residential units which will yield nearly 11,000 new area residents, 1.7 million SF of Class A office and 625,000 SF of retail.
- From the CID's inception in 1988 until 2024, the area is on track to experience a 350% aggregate growth in commercial real estate values.



# ONCE IN A GENERATION INVESTMENT OPPORTUNITY



OFFERED FOR SALE SEPARATELY:  
WALGREENS PARCEL

PDF





1,600+ new employees and 1,300+ new residents just across the street from Cumberland Marketplace

# LOCATION OVERVIEW

Cumberland Marketplace is prominently situated along Cobb Parkway, one of Smyrna's primary commercial corridors. Nearby retailers include Best Buy, Ross, Marshall's, Lexus, Aldi, Walgreens, McDonald's and a variety of other nationally recognized high-quality tenants. Within a 20-minute drive from the property, there are over 520,000 residents with an average income over \$86,000. The property is located near the center of the Cumberland Community Improvement District. The 6.5 square miles of the Cumberland CID will realize \$5Bn in public and private investment by 2018, including over 1MM square feet of new Class-A office, 4,000 new residences, 1,250 new hotel rooms, over 500,000 SF of new retail and nearly \$3Bn of infrastructure improvements.



# JUST STEPS FROM THE SUBJECT PROPERTY



“THE BATTERY  
ATLANTA WILL  
BE THE SOUTH’S  
PREEMINENT  
LIFESTYLE  
DESTINATION.”

## THE BATTERY ATLANTA

Located just across the street from the Property, The Battery Atlanta is a \$1.3 billion, 1.5 million square foot mixed-use destination that integrates a state-of-the-art Major League Baseball park with a multi-use development and community. The new home of the Atlanta Braves is the first of its kind, offering an unprecedented entertainment experience 365 days a year derived from an accessible, lively shopping and entertainment district, not just on gamedays.

The Battery redefines the traditional model of a “live, work, play” development into a “play, work, stay” destination, with SunTrust Park as its crown jewel. Featuring upwards of 400,000 square feet of unique and experiential retail—including restaurants by some of Atlanta’s most acclaimed chefs, 400,000 square feet of new class A office—adding to the area’s already booming daytime population, and over 500,000 square feet of residential—once completed over 1300 new residents will be located just steps from Cumberland Marketplace.

**B** THE  
BATTERY  
ATLANTA

at SunTrust Park

HOME OF THE



**\$2B** of public infrastructure  
improvements accompanied the  
Battery development.

# DELIVERING A NEW STANDARD TO THE SOUTHEAST



## RESIDENTIAL: 523,000 SF

- 550 UNITS OF ONE, TWO & THREE BEDROOM CONDOS

## HOTEL: 265,000 SF

- 1,050 HOTEL ROOMS

## OFFICE: 400,000 SF

- HOME TO COMCAST'S SOUTHEAST HEADQUARTERS, WHICH EMPLOYS 1,000+ INDIVIDUALS IN ITS 250,000 SF SPACE

## RETAIL: 400,000 SF

- UNIQUE AND EXPERIENTIAL RETAIL INCLUDING RESTAURANTS BY SOME OF ATLANTA'S MOST ACCLAIMED CHEFS

**37%**  
INCREASE IN GAME  
ATTENDANCE



**3 MILLION**  
PROJECTED FAN  
VISITS PER YEAR



# SMYRNA, GA

Strategically located at the confluence of several highway systems, namely I-75 and I-285, the city of Smyrna is about 10 miles northwest of downtown Atlanta. Smyrna is in the inner ring of the Atlanta metropolitan area and continues to be one of the fastest growing cities in the state of Georgia. As one of the most popular places to reside in greater Atlanta, the city attracts people with its strong community spirit and visionary leadership.



**+223,963**

**5-MILE RADIUS POPULATION**

## CUMBERLAND SUBMARKET

Within Smyrna, the Property is ideally located in the thriving Cumberland Submarket, one of the largest submarkets in the southeast with over 32,000,000 square feet of real estate. Cumberland is a home of arts, culture and conventions. Between the Cobb Energy Centre—home of the Atlanta Ballet and The Atlanta Opera—and the Cobb Galleria Centre—one of the southeast’s largest convention centers—750,000 visitors are hosted annually in the district.



Additionally, major public investment is being made into the area’s sustainability, walkability and greenspaces. The Cumberland area continues to evolve into a community that offers it all – upscale hospitality, diverse leisure and entertainment, attractive housing and fast-paced business. This attention to community amenities and culture has resulted in a 32% jump in the area’s millennial population since 2010—the highest growth rate of any community in the Atlanta metro.

## PROPERTY DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2022 Projection	18,036	98,306	223,963
2017 Estimate	16,687	90,697	208,141
Growth 2017 - 2022	8.08%	8.39%	7.60%
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2022 Projection	9,107	48,401	98,316
2017 Estimate	8,432	44,681	91,360
Growth 2017 - 2022	8.01%	8.33%	7.61%
INCOME	1-MILE	3-MILE	5-MILE
2017 Est. Average Household Income	\$75,894	\$85,007	\$95,335

# THE CUMBERLAND COMMUNITY IMPROVEMENT DISTRICT

The Cumberland Community Improvement District (CID), Georgia's first CID, is the mechanism by which local commercial property owners advance needed public infrastructure projects. The Cumberland CID was originally formed in 1988 by business leaders interested in improving access to the highways for the emerging Cumberland submarket.

The Cumberland CID is only 6.5 square miles within the Cumberland Submarket that accounts for 5.4% of the Georgia economy and 33% of Cobb County's economy (while only accounting for 1.6% of the county on a land basis). The CCID will realize \$5B in private and public investment by the end of 2018. Since the CID's inception, commercial real estate values in the submarket have more than doubled. Residential and commercial values are projected to grow another \$2.3 billion over the next 8 years (350% aggregate growth from 1988 to 2024).

## CORPORATE & EMPLOYMENT BASE

Major corporations that call the Cumberland CID home include The Home Depot, Genuine Parts Company, GE Energy, Comcast, HD Supply, RaceTrac, and The

Weather Company. The top-ten employers in the area deliver 12,000 of the CID's 76,400 jobs and produce nearly 165,000 total jobs around the state. 17% of Cobb County jobs and 62% of Cobb's management jobs are located within the Cumberland CID. It is forecasted that over the next 25 years at least 50% of the county's job growth will originate in the greater Cumberland submarket.

## NEW DEVELOPMENT

Including the nearly complete Battery and SunTrust Park, more than two dozen commercial and residential projects are under construction in the Cumberland CID area:

- 5,300 new residential units that will yield nearly 10,600 new residents
- 1,700,000 SF of Class A Office
- 1,400 hotel rooms
- 625,000 SF of retail
- hundreds of millions of dollars in commercial renovations



**Cumberland Marketplace is centrally positioned near the middle of the Cumberland CID, near almost 10M square feet of new construction projects, including the Braves' SunTrust Park and the Battery Atlanta.**

# DISTANCE FROM



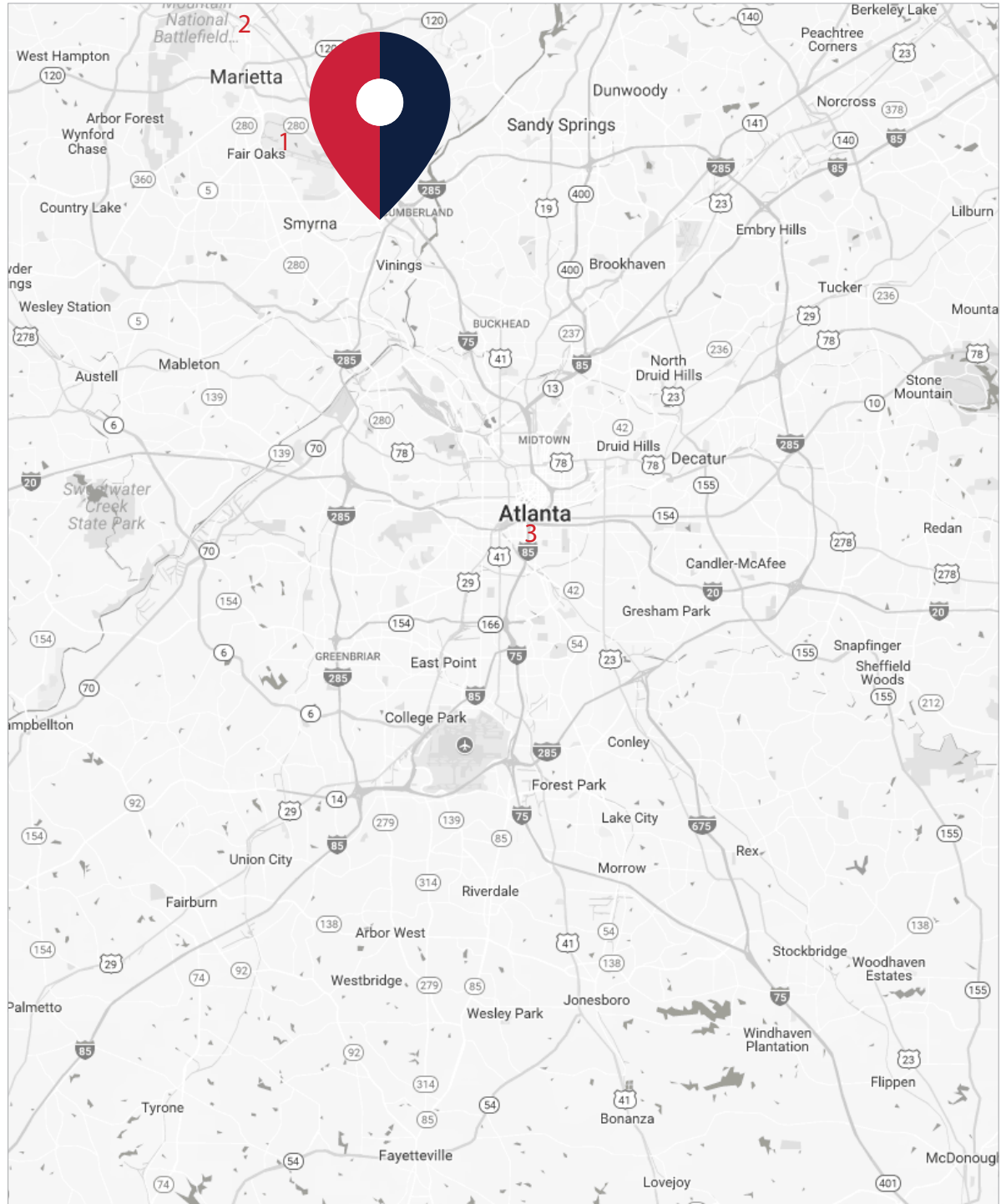
**1. DOBBINS AIR RESERVE BASE**  
Supports +10,000 military guardsmen and reservists  
2.8 MILES



**2. KENNESAW STATE UNIVERSITY**  
Total enrollment of +35,000 students  
4.9 MILES



**3. DOWNTOWN ATLANTA**  
#9 in Forbes' Best Places for Business and Careers  
12 MILES



# ATLANTA, GA

Atlanta is one of the fastest-growing cities in the nation. First home to giants Coca-Cola and Delta Airlines and today a booming hub for large corporate regional and international headquarters. The state capital is now a vibrant center for the increasingly prosperous South. With a GDP of \$304 billion, the metro Atlanta economy is the eighth largest in the country and 17th largest in the world. Atlanta houses the country's third-largest concentration of Fortune 500 companies, many of which are enticed by the city's highly educated work force.

An increasing number of college-educated young adults are moving to this booming metropolis, looking to take advantage of its distinct, vibrant and accessible neighborhoods. World-class restaurants, festive nightlife, seven professional sports teams and an abundance of attractions and events help make Atlanta the center for entertainment in the South. Visitors can experience a diverse and thriving cultural scene at the city's many theatres, museums, galleries and concert halls.



Kuroshio Sushi on track to do an estimated \$2.4MM in sales - a 2.4% cost of occupancy

DRIVE THRU

**EXCELLENT ACCESS AND VISIBILITY:**

- 5 INGRESS/EGRESS POINTS
- 2 LARGE MONUMENT SIGNS



# PHYSICAL DESCRIPTION

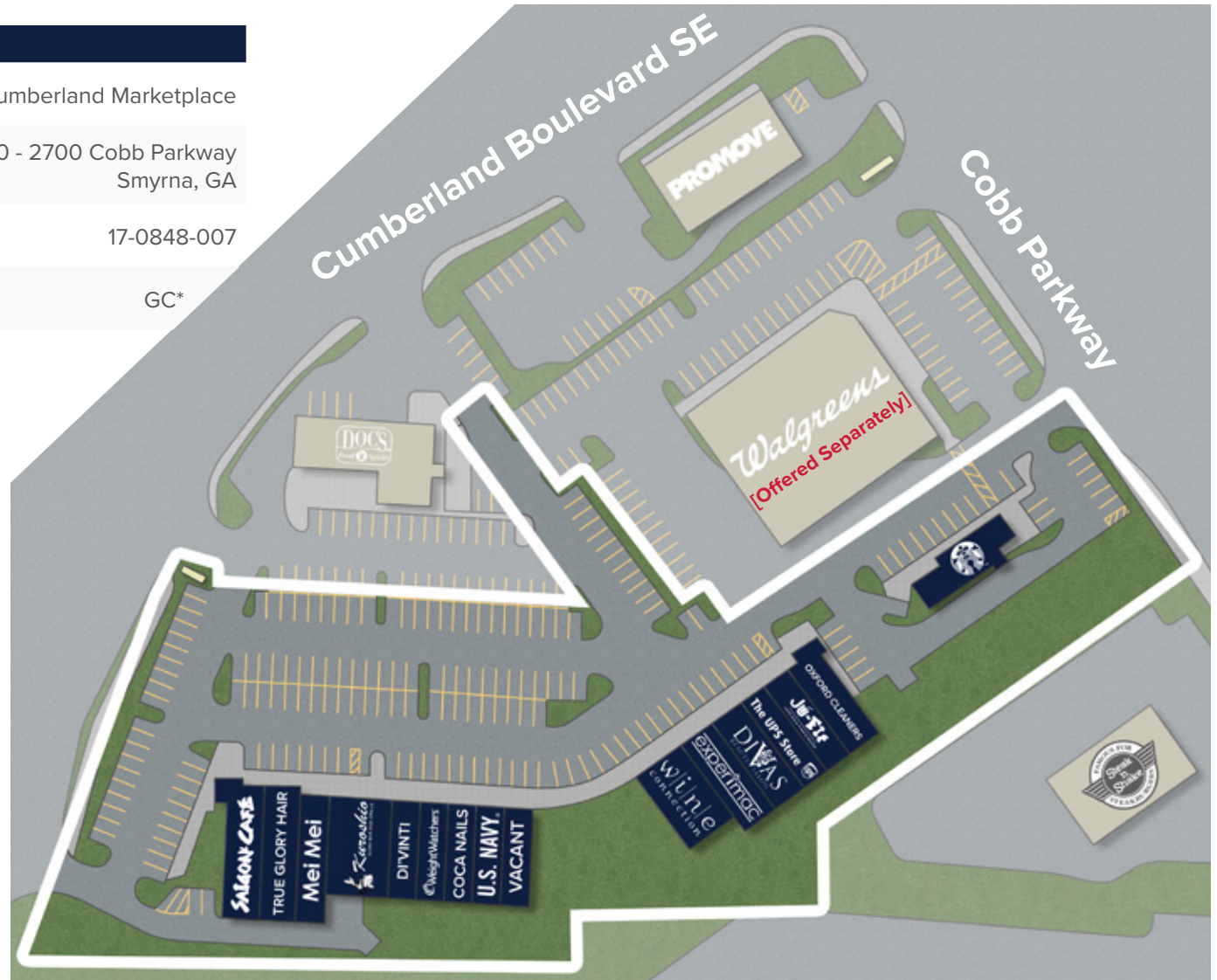
## THE SITE

Property Name	Cumberland Marketplace
Address	2680 - 2700 Cobb Parkway Smyrna, GA
Assessor's Parcel Number (APN)	17-0848-007
Zoning	GC*

Gross Leasable Area	± 27,865 SF
Lot Size	± 3.66 Acres (154,489 SF)
Year Built	2001 / 2007 (2 Phases)
Number of Stories	1
Number of Buildings	3
Parking Spaces	± 180 Spaces
Parking Ratio	4.5 : 1,000 SF

\*GC is General Commercial zoning with 55 ft or 5 stories max height, and up to 100% max lot coverage.

## SITE PLAN





# Downtown Atlanta

Cumberland Marketplace is ideally located in the epicenter of the most exciting growth story in the Southeast



Akers Mill Square  
BED BATH & BEYOND  
Toys R Us  
OfficeMax  
LONGHORN  
the Vitamin Shoppe  
Chick-fil-A  
Party City  
LAIFITNESS  
petco

BARNES & NOBLE  
BOOKSELLERS

Cumberland Mall  
macy's sears  
DSW  
DESIGNER SHOE WAREHOUSE  
The Cheesecake Factory  
GNC  
LIVE WELL  
BUFFALO WILD WINGS  
H&M

INTERSTATE 75  
EMBASSY SUITES  
by Hilton

Pizza Hut  
Schlotzsky's  
at&t

Bank of America

COSTCO  
WHOLESALE

QT

Cumberland Crossing Shopping Center  
enterprise  
Domino's

INTERSTATE 285

COBB GALLERIA CENTRE  
ATLANTA

FIREHOUSE  
SUBS  
FOUNDED BY FIREMEN

Holiday Inn  
EXPRESS

ALDI

BURGER KING

COMCAST  
OMNI HOTELS  
& RESORTS

INTERSTATE 285  
± 140,920 ADT

Hampton  
Inn & Suites

INTERSTATE 285

Applebee's

LEXUS

Spring Road SE  
± 33,130 ADT

Subject Property

Cumberland Blvd SE

SunTrust Park  
Home of the Atlanta Braves

Walgreens

KFC

DOUBLE TREE  
BY HILTON

Heritage Pavillion  
COST PLUS  
WORLD MARKET  
ROSS  
DRESS FOR LESS  
SHOE CARNIVAL  
PET SMART  
Marshall's  
Michael's  
DOLLAR TREE  
ULTA

THE BATTERY  
ATLANTA

Red Lobster

DEL TACO

Cobb Parkway ± 39,320 ADT

Olive Garden  
ITALIAN KITCHEN

The Promenade Shopping Center  
BEST BUY  
IHOP  
verizon  
West Marine

Cumberland Square North  
Office DEPOT

# SELECT NATIONAL TENANTS



## STARBUCKS

Public | NYSE: SBUX  
[www.starbucks.com](http://www.starbucks.com)

# of Locations	± 25,085
# of Employees	± 254,000
Headquartered	Seattle, WA
Year Founded	1985

### OVERVIEW

As the world's #1 specialty coffee retailer, Starbucks Corporation, together with its subsidiaries, operates as a roaster, marketer, and retailer of specialty coffee worldwide. Outlets offer specialty coffee drinks, hand-crafted coffee, frappuccinos and breakfast items, as well as roasted beans, coffee accessories, and teas.

Once a simple chain of coffeehouses, Starbucks has become a force of nature in the retail business. With so many outlets throughout the world, the company has used its chain to branch out into other retail segments, including teas, CDs, books, and similar lifestyle products. In addition, Starbucks markets its coffee through grocery stores, food service customers, and licenses its brand for other food and beverage products. Through partnerships with food manufacturers, the Starbucks brand has been licensed for products such as ice cream, coffee flavored liqueur, and bottled Frappuccino.

Lessee at Cumberland Marketplace: Starbucks Corporation



## THE UPS STORE

Public | NYSE: UPS  
[www.ups.com](http://www.ups.com)

# of Locations	± 4,969
# of Employees (all)	± 434,000
Headquartered	San Diego, CA
Year Founded	2003

### OVERVIEW

Serving the small business community for more than 35 years, The UPS Store, Inc. is the world's largest franchisor of retail shipping, postal, printing and business service centers. Today, there are nearly 5,000 independently owned The UPS Store locations in the U.S., Puerto Rico, and Canada, providing convenient and value-added business services to the small-office/home-office market, corporate "road warriors," and consumers. In 2017, Entrepreneur magazine's annual "Franchise 500," rated The UPS Store #1 in the postal and business services category for the 27th consecutive year based on the company's financial strength, growth rate and size.

The UPS Store, Inc. is a wholly owned subsidiary of United Parcel Service. UPS's extensive global reach is a selling point for its supply chain management offerings, which are tailored to customers in industries such as consumer goods and retail, health care, and technology.

Lessee at Cumberland Marketplace: Parkland Place Associates, LLC



## WEIGHT WATCHERS

Public | NYSE: WTW  
www.weightwatchers.com

# of Locations	TBC
# of Employees	± 25,000
Headquartered	New York City, NY
Year Founded	1963

### OVERVIEW

Weight Watchers International, Inc. is a provider of weight management services that operates globally through a network of Company-owned and franchise operations. Ranked the #1 Best Commercial Diet in 2017 by US News & World Report in, Weight Watchers has built its business by helping millions of people around the world lose weight through sensible and sustainable food plans, activity, behavior modification and group support. The company’s branded products and services include meetings conducted by its franchisees, digital weight management products provided through its Websites, mobile sites and applications, products sold at meetings, licensed products sold in retail channels and magazine subscriptions and other publications.

With over five decades of weight management experience, expertise and know-how, Weight Watchers has been established as one of the most recognized and trusted brand names among weight-conscious consumers.

Lessee at Cumberland Marketplace: Weight Watchers North America, Inc.



## U.S. NAVY.

## U.S. NAVY RECRUITING CENTER

Government  
www.navy.com

# of Locations	± 1,450
# of Employees	± 4,500
Headquartered	Millington, TN
Year Founded	1775

### OVERVIEW

The U.S. Navy Recruiting Office provides interested U.S. citizens information and necessary tools to enlist in the U.S. Navy. Nationwide, Navy Recruiting covers the entire United States with 26 Navy Recruiting Districts commanded by 2 Navy Recruiting Regions. Today, nearly 6,000 active and reserve military, civilian and contract employees make up the command. Of those, more than 4,500 active and reserve officer and enlisted sailors man about 1,450 recruiting stations and centers throughout the U.S., Guam, Puerto Rico, and Europe.

Working out of their individual Navy Recruiting Station, these recruiters call on approximately 25,782 public; 6,177 private high schools; 2,750 two-year colleges; and 2,490 four-year colleges nationwide. Approximately 150 NROTC units are located on U.S. college campuses. As the only visible face of the Navy, recruiters provide management and mentorship of all applicants.

Lessee at Cumberland Marketplace: United States of America

# FINANCIAL ANALYSIS

## RENT ROLL - BUILDING A & STARBUCKS

SUITE	TENANT	LEASE START	LEASE END	GLA (SF)	RENTAL RATE		RENT/SF		RENT INCREASES		OPTIONS	END OF TERM ASSUMPTIONS
					YEARLY	MONTHLY	YEARLY	MONTHLY	DATE	AMOUNT		
A1 - A2	Fine Wine Connection <sup>(1)</sup>	7/25/2006	12/31/2020	2,210	\$48,620	\$4,051.67	\$22.00	\$1.83	1/1/2018 1/1/2019 1/1/2020	\$49,725 \$50,830 \$51,935	-	\$0.50 PSF
A3	Experimac	9/16/2016	9/30/2021	1,710	\$39,330	\$3,277.50	\$23.00	\$1.92	10/1/2018 10/1/2019 10/1/2020	\$40,510 \$41,724 \$42,972	-	3% annual
A4	Diva's Salon	10/1/2010	12/31/2022	1,695	\$37,290	\$3,107.50	\$22.00	\$1.83	1/1/2018 1/1/2019 1/1/2020 1/1/2021 1/1/2022	\$38,138 \$38,985 \$39,833 \$40,680 \$41,528	-	\$0.50 PSF
A5	UPS	1/1/2013	12/31/2024	1,315	\$25,971	\$2,164.27	\$19.75	\$1.65	1/1/2018 1/1/2019 1/1/2020 1/1/2021 1/1/2022 1/1/2023 1/1/2024	\$26,629 \$27,286 \$27,944 \$28,601 \$29,259 \$29,916 \$30,574	-	\$0.50 PSF
A6	Ju-Fit <sup>(2)</sup>	10/12/17	10/31/2020	1,315	\$30,903	\$2,575.21	\$23.50	\$1.96	2018 2019	\$31,830 \$32,784	-	3% annual
A7	Oxford Cleaners <sup>(3)</sup>	2/12/2007	7/31/2022	2,025	\$50,605	\$4,217.06	\$24.99	\$2.08	8/1/2018 8/1/2019 8/1/2020 8/1/2021	\$51,617 \$52,650 \$53,703 \$54,777	-	2% annual
A8	Starbucks	1/1/2001	2/29/2024	1,875	\$66,525	\$5,543.75	\$35.48	\$2.96	3/1/2021	\$80,494	One, 2-Year One, 5-Year	Option

<sup>(1)</sup> One time early termination Right on 12/31/2017 by delivery of notice by 10/1/2017.

<sup>(2)</sup> Lease starts the earlier of 10/12/17 or when tenant opens for business.

<sup>(3)</sup> Per Section 13 of the Second Amendment to the Lease, landlord has the right to buyout tenant's lease beginning January 1, 2019.

## RENT ROLL - BUILDING B

SUITE	TENANT	LEASE START	LEASE END	GLA (SF)	RENTAL RATE		RENT/SF		RENT INCREASES		OPTIONS	END OF TERM ASSUMPTIONS
					YEARLY	MONTHLY	YEARLY	MONTHLY	DATE	AMOUNT		
B1	Saigon Cafe	2/1/2015	1/31/2020	2,380	\$61,880	\$5,156.67	\$26.00	\$2.17	2/1/2018 2/1/2019	\$63,736 \$65,640	One, 5-Year FMV	3% annual
B1.5	True Glory Hair	7/1/2016	6/30/2018	2,380	\$58,310	\$4,859.17	\$24.50	\$2.04	-	-	-	\$0.50 PSF
B2	Mei Mei Massage Therapy	11/9/2015	10/31/2020	1,615	\$36,263	\$3,021.94	\$22.45	\$1.87	11/1/2017 11/1/2018 11/1/2019	\$37,351 \$38,472 \$39,626	-	3% annual
B4	Kuroshio Sushi Bar & Grille <sup>(1)</sup>	7/1/2013	6/30/2023	2,775	\$59,342	\$4,945.20	\$21.38	\$1.78	7/1/2018 7/1/2019 7/1/2020 7/1/2021 7/1/2022	\$61,123 \$62,956 \$64,845 \$66,790 \$68,798	-	3% annual
B5	Di'Viniti	11/11/2013	12/31/2018	1,290	\$28,703	\$2,391.88	\$22.25	\$1.85	1/1/2018	\$29,670	-	3% annual
B6	Weight Watchers	1/1/2012	12/31/2019	1,300	\$28,600	\$2,383.33	\$22.00	\$1.83	1/1/2018 1/1/2019	\$29,900 \$31,200	-	\$1.00 PSF
B7	Coca Nails Upscale Salon	10/15/2011	10/31/2019	1,300	\$26,579	\$2,214.93	\$20.45	\$1.70	11/1/2017 11/1/2018	\$27,377 \$28,198	-	3% annual
B8	U.S. Navy Recruiting Office <sup>(2)</sup>	12/9/2009	12/8/2019	1,330	\$30,590	\$2,549.17	\$23.00	\$1.92	-	-	-	\$0.50 PSF
B9	Vacant (Proforma)	-	-	1,350	\$31,050	\$2,587.50	\$23.00	\$1.92	3% annual increases		-	-
<b>Occupied Totals</b>				26,515 (95.3%)								
<b>Vacant Totals</b>				1,350 (4.84%)								
<b>Totals</b>				<b>27,865 (100%)</b>								

<sup>(1)</sup> Per Section 14 of the First Amendment to the Lease, landlord has the right to buyout the tenant's lease beginning January 1, 2019.

<sup>(2)</sup> The Government may terminate lease at any time with 90 days written notice.

# DEBT QUOTE

Purchase Price	\$9,500,000
Loan Amount	\$7,125,000
Down Payment	\$2,375,000
LTV	75%
Interest Rate	4.45%
Amortization	30 Years
Recourse	Non-Recourse
Lender Fee	Par

	YEAR 1	YEAR 5	YEAR 10
Net Operating Income	\$629,964	\$710,983	\$823,399
Debt Service	\$430,679	\$430,679	\$430,679
Cash Flow	\$199,285	\$280,304	\$392,720
Cash on Cash Return	8.39%	11.80%	16.54%



# PEGASUS CAPITAL MARKETS

Pegasus Capital Markets (“PCM”) specializes in the financing of net leased retail properties throughout the country. PCM represents a broad range of clients, from institutional investment firms to individuals making their first real estate investment. PCM has extensive relationships with CMBS lenders, local banks, national commercial banks, credit unions and life insurance companies, which leads to optimal execution for clients based on their overall investment objectives. To discuss financing options for the property, please contact Chad W. Buelow or Tyler J. Johnson at the information below.

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# GENERAL ASSUMPTIONS

Analysis Date	Jan-18
Total Rentable Area	27,865
Total Area for CAM Reimbursement	27,865
General Inflation Per Annum	3.00%
General Expense Growth Per Annum	3.00%
Real Estate Tax Growth Per Annum	2.00%
Management Fee	4.00%
General Vacancy Loss	4.00%
Tenants Excluded from General Vacancy Loss	None



# MARKET LEASING ASSUMPTIONS

Market Rent Growth Rate	See Rent Roll	
Renewal	75% for all except Starbucks is 100%	
Type of Lease	NNN + 4% Mgmt. and 5% Admin fee for all tenants excluding Starbucks & US Navy Recruiting Office. Starbucks pays 10% Admin. Fee	
Speculative Lease Term	5 years	
Months Down Time	4 Months	
TI Allowance	Renewal: \$0/SF	New: \$15/SF
Leasing Commission	Renewal: 0%	New: 6.00%

# CASH FLOW

	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
For the Years Ending	Year 1 Dec-2018	Year 2 Dec-2019	Year 3 Dec-2020	Year 4 Dec-2021	Year 5 Dec-2022	Year 6 Dec-2023	Year 7 Dec-2024	Year 8 Dec-2025	Year 9 Dec-2026	Year 10 Dec-2027	Year 11 Dec-2028	Total
<b>Rental Revenue</b>												
Potential Base Rent	670,687	687,045	706,669	737,996	756,731	778,470	797,069	824,712	853,774	876,007	900,839	8,589,998
Absorption & Turnover Vacancy	-4,859	-7,061	-14,623	-8,210	-7,755	-15,220	-5,927	-23,074	-9,518	-8,991	-17,645	-122,883
Total Rental Revenue	665,827	679,984	692,045	729,786	748,976	763,249	791,142	801,639	844,256	867,016	883,195	8,467,115
<b>Other Tenant Revenue</b>												
Total Expense Recoveries	233,606	238,422	241,597	250,388	256,998	260,221	270,582	271,200	283,306	290,838	294,500	2,891,659
Total Tenant Revenue	899,434	918,406	933,642	980,174	1,005,974	1,023,470	1,061,724	1,072,839	1,127,562	1,157,854	1,177,694	11,358,774
<b>Other Revenue</b>												
CAM Admin	3,513	3,619	3,727	3,839	3,954	4,073	4,195	4,321	4,450	4,584	4,721	44,996
CAM Admin (Sbx)	535	551	568	585	602	620	639	658	678	698	719	6,851
Total Other Revenue	4,048	4,170	4,295	4,423	4,556	4,693	4,834	4,979	5,128	5,282	5,440	51,847
Potential Gross Revenue	903,482	922,576	937,937	984,597	1,010,530	1,028,163	1,066,558	1,077,818	1,132,690	1,163,136	1,183,135	11,410,622
<b>Vacancy &amp; Credit Loss</b>												
Vacancy Allowance	-33,371	-30,124	-28,732	-33,238	-34,467	-31,484	-36,972	-29,593	-38,203	-39,641	-36,217	-372,042
Effective Gross Revenue	870,111	892,451	909,205	951,360	976,063	996,679	1,029,586	1,048,224	1,094,488	1,123,495	1,146,917	11,038,580
<b>Operating Expenses</b>												
Repairs & Maintenance	19,212	19,788	20,382	20,993	21,623	22,271	22,940	23,628	24,337	25,067	25,819	246,058
Power	13,918	14,335	14,765	15,208	15,664	16,134	16,618	17,117	17,630	18,159	18,704	178,252
Landscaping	6,620	6,819	7,023	7,234	7,451	7,674	7,905	8,142	8,386	8,638	8,897	84,788
Waste	6,445	6,638	6,837	7,042	7,254	7,471	7,695	7,926	8,164	8,409	8,661	82,543
Water	22,528	23,204	23,900	24,617	25,355	26,116	26,899	27,706	28,538	29,394	30,275	288,531
Meter Reading	2,559	2,635	2,714	2,796	2,880	2,966	3,055	3,147	3,241	3,338	3,439	32,770
Telephone	422	435	448	462	475	490	504	519	535	551	568	5,409
Sweeping	3,612	3,720	3,832	3,947	4,065	4,187	4,313	4,442	4,576	4,713	4,854	46,262
Sprinkler / Alarm	3,153	3,248	3,345	3,446	3,549	3,656	3,765	3,878	3,995	4,114	4,238	40,387
Property Management	35,977	36,736	37,346	39,207	40,239	40,939	42,469	42,914	45,102	46,314	47,108	454,350
Pest Control	1,016	1,046	1,078	1,110	1,144	1,178	1,213	1,250	1,287	1,326	1,365	13,013
Property Taxes	115,000	117,300	119,646	122,039	124,480	126,969	129,509	132,099	134,741	137,436	140,184	1,399,402
Insurance	9,686	9,977	10,276	10,584	10,902	11,229	11,566	11,913	12,270	12,638	13,017	124,056
Total Operating Expenses	240,147	245,881	251,592	258,684	265,080	271,280	278,451	284,680	292,801	300,096	307,129	2,995,822
Net Operating Income	629,964	646,570	657,613	692,676	710,983	725,399	751,135	763,544	801,687	823,399	839,789	8,042,758

\* Full Argus available upon request.



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Pegasus Investments is a boutique commercial real estate investment and advisory firm based in Los Angeles, California. Specializing in retail shopping centers, single tenant net leased and multifamily properties throughout the United States, Pegasus has consistently delivered on its 28 year reputation of providing high quality, white glove service throughout all stages of the investment sales process. Pegasus provides its clients, which include high net worth private investors, family trusts, private & public REIT's, local and regional developers and syndicators with advisory services encompassing underwriting, market research, investment sales and asset management. Pegasus continues to set the bar for high quality, boutique investment sales brokerage and advisory by relying on its industry-leading talent which include experienced institutional and private sector investors.



# PEGASUS

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