

Tuesday Morning

TUESDAY MORNING

VISALIA, CALIFORNIA

YURAS
AICALE
FORSYTH
CROWLE

Leased Investment Team

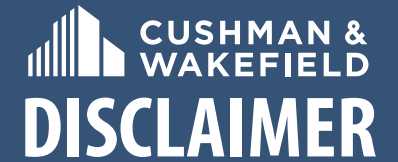
OFFERING MEMORANDUM

\$3,300,000 | 6.00% CAP RATE

- » 10-Year NNN Lease to Tuesday Morning
 - » 10% Rental Increases Every Five Years
- » Infill Location in New Regional Shopping Center Development
- » Part of the Successful Packwood Creek - East Center
 - » Major Tenants Include Lowe's, Best Buy, PetSmart, Michaels, Cost Plus World Market, and Guitar Center
- » Adjacent to High-Volume Costco and Sportsman's Warehouse
 - » Costco Wholesale Draws 1.4 Million Customers Annually from a Significantly Wide Radius
 - » New Sportsman's Warehouse Slated to Open Fall 2017
- » Prime Location in Regional Shopping Hub
 - » Trade Area of 528,000 People
 - » Visalia is the Largest City Between Fresno and Bakersfield
- » New 2018 Construction



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Cushman & Wakefield (“Broker”) has been retained on an exclusive basis to market the property described herein (“Property”). Broker has been authorized by the Seller of the Property (“Seller”) to prepare and distribute the enclosed information (“Material”) for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

The Material is intended solely for the purpose of soliciting expressions of interest from qualified investors for the acquisition of the Property. The Material is not to be copied and/or used for any other purpose or made available to any other person without the express written consent of Broker or Seller. The Material does not purport to be all-inclusive or to contain all of the information that a prospective buyer may require. The information contained in the Material has been obtained from the Seller and other sources and has not been verified by the Seller or its affiliates. The pro forma is delivered only as an accommodation and neither the Seller, Broker, nor any of their respective affiliates, agents, representatives, employees, parents, subsidiaries, members, managers, partners, shareholders, directors, or officers, makes any representation or warranty regarding such pro forma. Purchaser must make its own investigation of the Property and any existing or available financing, and must independently confirm the accuracy of the projections contained in the pro forma.

Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

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INVESTMENT SUMMARY

ADDRESS	4258 South Mooney Boulevard, Visalia, California		
PRICE	\$3,300,000		
CAP RATE	6.00% return		
NOI	\$198,000		
TERM	10 years		
RENT COMMENCEMENT	Estimated March 2018		
LEASE EXPIRATION	Estimated March 2028		
RENTAL INCREASES	10% rental increases every 5 years		
	YEAR	RENT	RETURN
	1-5	\$198,000	6.00%
	6-10	\$217,800	6.60%
	11-15 (Option 1)	\$239,580	7.26%
	16-20 (Option 2)	\$263,538	7.99%
	21-25 (Option 3)	\$289,892	8.78%
	26-30 (Option 4)	\$318,840	9.66%
31-35 (Option 5)	\$350,760	10.63%	
YEAR BUILT	2018		
BUILDING SF	12,000 SF		
PARCEL SIZE	1.27 acres (55,312 SF)		
LEASE TYPE	NNN, with tenant responsible for all expenses and maintenance, excluding roof and structure		

LONG-TERM NNN LEASE

- » Leased to Tuesday Morning for 10 years
- » 10% rental increases every five years in initial term and option periods, providing a hedge against inflation
- » Limited landlord responsibilities, presenting an ideal investment opportunity for an out-of-area investor

INFILL LOCATION IN REGIONAL POWER CENTER

- » Prime location in Packwood Creek – East, part of Visalia’s largest power center
- » Excellent location on Mooney Boulevard, Visalia’s primary retail corridor, with excellent visibility and access to 26,000 vehicles per day
- » Part of the highly successful Packwood Creek Centers, with major national tenants, including Target, Lowe’s, Best Buy, PetSmart, Michaels, Cost Plus World Market, Pier 1 Imports, and Guitar Center

PRIME LOCATION IN REGIONAL SHOPPING HUB WITH LARGE CUSTOMER BASE

- » Visalia is the largest city between Fresno and Bakersfield and has a trade area of approximately 528,000 people
- » Population of 142,921 within a five-mile radius of the property
- » Adjacent to a high-volume Costco, which draws an estimated 1.4 million customers annually from a significantly wide radius, greatly increasing Tuesday Morning’s customer base

NEW 2018 CONSTRUCTION

- » High quality construction scheduled to be completed in 2018
- » Built to tenant’s exact specifications, demonstrating long-term commitment to the location





Future Retail



Packwood Creek - East



The Grove at Packwood Creek - North (regional shopping center development)

The Grove at Packwood Creek - South (regional shopping center development)

West Cameron Avenue (15,700 AADT)

Tuesday Morning

Visalia Parkway (6,600 AADT)

South Mooney Boulevard (26,000 AADT)



VISALIA
MUNICIPAL
AIRPORT

INDUSTRIAL REGION

Packwood Creek - West

Packwood Creek - East

Sequoia Mall

Visalia Parkway (6,600 AADT)

South Mooney Boulevard
(26,000 AADT)

West Cameron Avenue (15,700 AADT)

The Grove at
Packwood Creek - South
(regional shopping center
development)

The Grove at
Packwood Creek - North
(regional shopping center
development)

Tuesday Morning



DICK'S
SPORTING GOODS

STAPLES

WELLS FARGO

Sequoia Mall

sears

HOBBY LOBBY

REGAL CINEMAS

Visalia Mall

jcpenny **K A Y**
JEWELERS

macy's **AÉROPOSTALE**

OLD NAVY

FOREVER 21 **Foot Locker**

KOHL'S

ROSS
DRESS FOR LESS

Jamba Juice

DOWNTOWN VISALIA

Mt. Whitney High School
(1,593 students)

(3 miles)

South Mooney Boulevard (26,000 AADT)

Toys R Us

dd's DISCOUNTS

PETCO
Where the pets go.

Walmart **Burlington**

BevMo! **McDonald's** **ASHLEY HOMESCORE**

The Grove at
Packwood Creek - North
(regional shopping center
development)

West Cameron Avenue (15,700 AADT)

The Grove at
Packwood Creek - South
(regional shopping center
development)

Visalia Parkway (6,600 AADT)

Packwood Creek - East

LOWE'S **BEST BUY** **OUTBACK STEAKHOUSE**

PETSMART **Olive Garden** **PANDA EXPRESS**

Michaels **Pier 1 imports** **COLD STONE CREAMERY**

Guitar Center **WORLD MARKET** **UPS**

Tuesday Morning

SPORTSMAN'S WAREHOUSE
AMERICA'S PREMIER OUTLET

COSTCO
WHOLESALE

SITE PLAN

WEST CAMERON AVENUE

VISALIA PARKWAY

MOONEY BOULEVARD



TENANT SUMMARY

Tuesday Morning

Tuesday Morning is an American discount, off-price retailer specializing in both domestic and international closeouts of medium to high-end name brand gifts, soft home, home furnishings, housewares, luggage, toys, seasonal items, gourmet food, and fashion accessories for men, women, and children. Tuesday Morning is nationally known for providing a fresh selection of name-brand, high-quality merchandise at prices generally below those of department and specialty stores, catalogs, and online retailers. Headquartered in Dallas, Texas, Tuesday Morning opened its first store in 1974 and operated 751 stores in 40 states as of June 30, 2016.

For the fiscal year ended June 30, 2016, Tuesday Morning's net sales increased \$50 million, or 5.5%, to \$956.4 million from \$906.4 million in fiscal 2015, primarily due to a \$67.7 million increase in same-store sales of 7.8%.

For more information, please visit www.tuesdaysmorning.com.

REVENUE	\$956.4M	TICKER	NASDAQ: "TUES"
LOCATIONS	751	HEADQUARTERS	Dallas, TX



LEASE ABSTRACT

TENANT	Tuesday Morning, Inc.		
ADDRESS	4258 South Mooney Boulevard, Visalia, California		
RENT COMMENCEMENT	Estimated March 2018		
LEASE EXPIRATION	Estimated March 2028		
RENEWAL OPTIONS	Five (5) five (5) year options		
RENTAL INCREASES	YEAR	RENT	RETURN
	1-5	\$198,000	6.00%
	6-10	\$217,800	6.60%
	11-15 (Option 1)	\$239,580	7.26%
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	31-35 (Option 5)	\$350,760	10.63%
COMMON AREA COSTS	Tenant shall pay as Additional Rent to Landlord Tenant's Prorata Share of the cost of operation, maintenance, repair, and replacement of the common facilities which may be incurred by Landlord.		
REAL ESTATE TAXES	Tenant shall pay to Landlord Tenant's Prorata Share of the Property Taxes.		
INSURANCE	Tenant shall pay to Landlord as Additional Rent, Tenant's Prorata Share of the cost incurred by Landlord to obtain and maintain Landlord's Insurance.		
REPAIR & MAINTENANCE	Tenant shall keep the interior, non- structural portions of the Leased Premises and appurtenances in good order and repair.		
UTILITIES	Tenant shall pay for all utilities furnished to the Leased Premises and consumed by Tenant.		
MAINTENANCE BY LANDLORD	Landlord shall maintain, repair, and replace in good condition, at its own cost and expense, the structural components of the Building, including the roof structure, exterior walls, and foundation.		
RIGHT OF FIRST REFUSAL	None		

PROPERTY OVERVIEW

LOCATION

The property is located in Packwood Creek – East, located on Mooney Boulevard, Visalia's primary retail corridor, with excellent visibility and access to 26,000 vehicles per day. Packwood Creek – East and Packwood Creek – West make up Visalia's largest power center, featuring major national tenants, including Target, Lowe's, Best Buy, Michaels, Kirkland's, Pier 1 Imports, Cost Plus World Market, and many others. Additionally, the property is directly adjacent to The Grove at Packwood Creek, a regional shopping center development that will feature Sportsman's Warehouse. The property is also close to a high-volume Costco, which draws an estimated 1.4 million customers annually from a significantly wide radius, greatly increasing Tuesday Morning's customer base. Other major shopping centers in the nearby area include Visalia Mall, anchored by Macy's and JCPenney, and Sequoia Mall, featuring Sears and Regal Cinemas.

The property benefits from its prime location within a regional shopping hub. The property is supported by robust demographics, with a population of 142,921 within a five-mile radius. Additionally, as the largest city between Fresno and Bakersfield, Visalia serves as a regional trading center for an estimated 528,000 people living within the Tulare, Kings, southern Fresno, and northern Kern counties.

ACCESS

Access from Visalia Parkway and West Cameron Avenue

TRAFFIC COUNTS

Visalia Parkway:	6,600 AADT
West Cameron Avenue:	15,700 AADT
South Mooney Boulevard:	26,000 AADT

PARKING

62 parking stalls in parcel and additional parking available throughout the shopping center

YEAR BUILT

2018

NEAREST INTERNATIONAL AIRPORT

Fresno Yosemite International Airport (FAT)



62

DEDICATED
PARKING
STALLS



2018

YEAR BUILT



NEAREST
AIRPORT

FRESNO YOSEMITE
INTERNATIONAL
AIRPORT

AREA OVERVIEW

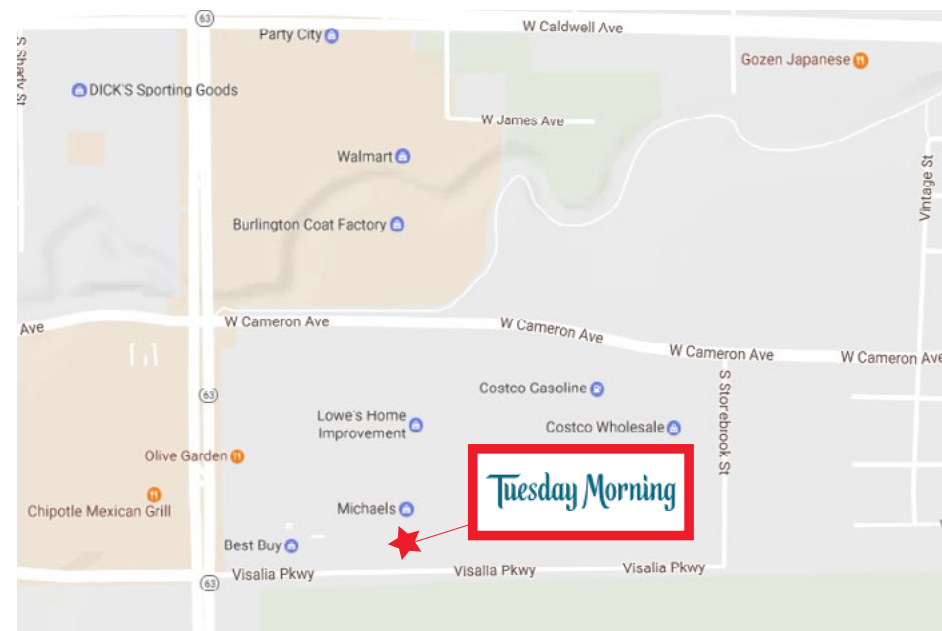
Visalia is a city situated in the agricultural San Joaquin Valley. It is the fifth largest city in the San Joaquin Valley, with a population of 130,104. As the county seat of Tulare County, Visalia serves as the economic and governmental center to one of the most productive agricultural counties in the country. While historically a rural, agricultural area, in recent years, the San Joaquin Valley has seen increasing exurban development as the cost of living forces young families and small businesses further and further away from the coastal urban cores. Stockton, Modesto, Tracy, Manteca, and Los Banos are increasingly dominated by commuters to San Francisco and Silicon Valley, and the small farming towns to the south are finding themselves in the Bay Area's orbit as well. Bakersfield has seen a massive influx of former Los Angeles business owners and commuters, to the extent that gated communities containing million-dollar homes are going up on the city's outskirts. Wal-Mart, IKEA, Target, Amazon, CVS Pharmacy, Restoration Hardware, and other various large shipping firms have built huge distribution centers both in the southern end of the valley and northern part of the valley because of quick access to major interstates and low local wages. Further integration with the rest of the state is likely to continue for the foreseeable future.

- » The dairy industry, with sales of milk products, brings in the most revenue for Tulare County, typically more than \$1 billion a year. Oranges, grapes, and cattle-related commodities also earn hundreds of millions of dollars annually.
- » In 2001, Tulare became the most productive county in the U.S. in terms of agricultural revenues, at \$3.5 billion annually. It surpassed Fresno County's \$3.2 billion, which had held the top spot for over two decades. Due to the importance of agriculture in the county as well as its location in the state, since 1968 the city of Tulare has been the site of the annual World Ag Expo, the world's largest agricultural exposition.
- » California has long been one of the nation's most important oil-producing states, and the San Joaquin Valley is the state's primary oil production region. Scattered oil wells on small oil fields are found throughout the region, and several enormous extraction facilities – including the enormous Midway-Sunset Oil Field, the third-largest oil field in the United States – are veritable forests of pumps.

MAJOR EMPLOYERS IN TULARE COUNTY

OF EMPLOYEES

COUNTY OF TULARE	4,800
KAWEAH DELTA HEALTHCARE DISTRICT	2,000
RUIZ FOOD PRODUCTS	1,800
WAL-MART DISTRIBUTION CENTER	1,692
PORTERVILLE DEVELOPMENT CENTER	1,300
COLLEGE OF THE SEQUOIAS	1,160
SIERRA VIEW DISTRICT HOSPITAL	725
JOSTENS	720
CIGNA HEALTHCARE	700
LAND O'LAKES	600



DEMOGRAPHIC PROFILE

2016 SUMMARY	1 Mile	3 Miles	5 Miles
Population	7,620	65,696	142,921
Households	2,783	23,592	47,281
Families	2,032	16,582	35,173
Average Household Size	2.73	2.75	2.99
Owner Occupied Housing Units	1,712	13,639	28,467
Renter Occupied Housing Units	1,071	9,953	18,814
Median Age	33.7	34.9	32.6
Average Household Income	\$71,639	\$71,041	\$74,497

2021 ESTIMATE	1 Mile	3 Miles	5 Miles
Population	7,860	67,449	148,806
Households	2,865	24,157	49,057
Families	2,089	16,971	36,520
Average Household Size	2.73	2.76	3.00
Owner Occupied Housing Units	1,758	13,980	29,572
Renter Occupied Housing Units	1,106	10,176	19,485
Median Age	34.3	35.4	33.0
Average Household Income	\$78,171	\$77,376	\$81,488



**AVERAGE HOUSEHOLD INCOME OF \$74,497
WITHIN FIVE MILES**



**POPULATION OF 142,921
WITHIN FIVE MILES**

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