



SUBJECT PROPERTY

**EXCLUSIVE OFFERING** | \$2,745,000 – 6.85% CAP

**COTTON PATCH CAFE — CORPORATE ABSOLUTE NNN**



3451 U.S. HIGHWAY 412, SILOAM SPRINGS, AR

214.915.8890

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**Property.** Brand New Construction, 4,430± square foot building on 1.64+ acres.

**Tenant.** Cotton Patch Café is an American scratch-made southern food restaurant concept chain with headquarters in Grapevine, Texas. The chain consists of 48+ casual dining restaurants in the states of Texas, New Mexico, Oklahoma and Arkansas.

**Lease Structure.** Brand new, Corporate, 15-year, Absolute NNN Lease, with variable rent increases every 5-years during primary term and option periods.

**Location.** Cotton Patch Cafe is situated along US HWY 412, (25,000 VPD), placing it in the heart of greater Siloam Springs retail activity. The subject property benefits from being an outparcel to a Walmart and Lowe's. Walmart and Lowe's are the primary traffic generators, while supporting notable national credit tenants in the area include, Walgreen's, Tractor Supply, Aldi, Dollar General, Dollar Tree, Anytime Fitness, AutoZone, O'Reilly, AT&T, Verizon, Braum's, McDonald's, Sonic, Taco Bell, Arby's, and many more. Siloam Springs, AR is approximately 29-miles from Fayetteville, AR and 219-miles from Little Rock, AR.

**PAGE 1: COVER**

**PAGE 2: TABLE OF CONTENTS | DISCLAIMER**

**PAGE 3: INVESTMENT | TENANT | LEASE OVERVIEW**

**PAGE 4-5: AERIAL PHOTOS**

**PAGE 6: SITE PLAN**

**PAGE 7-12: PROPERTY PHOTOS**

**PAGE 13: LOCATION OVERVIEW**

**PAGE 14-15: LOCATION MAPS**

**PAGE 16: DEMOGRAPHICS**



**DISCLAIMER**

Trivanta (“Agent”) has been engaged as an agent for the sale of the property located at 3451 U.S. Highway, Siloam Springs, AR by the owner of the Property (“Seller”). The Property is being offered for sale in an “as-is, where-is” condition and Seller and Agent make no representations or warranties as to the accuracy of the information contained in this Offering Memorandum. The enclosed materials include highly confidential information and are being furnished solely for the purpose of review by prospective purchasers of the interest described herein. The enclosed materials are being provided solely to facilitate the prospective investor’s own due diligence for which it shall be fully and solely responsible. The material contained herein is based on information and sources deemed to be reliable, but no representation or warranty, express or implied, is being made by Agent or Seller or any of their respective representatives, affiliates, officers, employees, shareholders, partners and directors, as to the accuracy or completeness of the information contained herein. Summaries contained herein of any legal or other documents are not intended to be comprehensive statements of the terms of such documents, but rather only outlines of some of the principal provisions contained therein. Neither the Agent nor the Seller shall have any liability whatsoever for the accuracy or completeness of the information contained herein or any other written or oral communication or information transmitted or made available or any action taken or decision made by the recipient with respect to the Property. Interested parties are to make their own investigations, projections and conclusions without reliance upon the material contained herein. Seller reserves the right, at its sole and absolute discretion, to withdraw the Property from being marketed for sale at any time and for any reason. Seller and Agent each expressly reserves the right, at their sole and absolute discretion, to reject any and all expressions of interest or offers regarding the Property and/or to terminate discussions with any entity at any time, with or without notice. This offering is made subject to omissions, correction of errors, change of price or other terms, prior sale or withdrawal from the market without notice. Agent is not authorized to make any representations or agreements on behalf of Seller. Seller shall have no legal commitment or obligation to any interested party reviewing the enclosed materials, performing additional investigation and/or making an offer to purchase the Property unless and until a binding written agreement for the purchase of the Property has been fully executed, delivered, and approved by Seller and any conditions to Seller’s obligations hereunder have been satisfied or waived. By taking possession of and reviewing the information contained herein, the recipient agrees that (a) the enclosed materials and their contents are of a highly confidential nature and will be held and treated in the strictest confidence and shall be returned to Agent or Seller promptly upon request; and (b) the recipient shall not contact employees or tenants of the Property directly or indirectly regarding any aspect of the enclosed materials or the Property without the prior written approval of the Seller or Agent; and (c) no portion of the enclosed materials may be copied or otherwise reproduced without the prior written authorization of Seller and Agent.

**LISTED IN ASSOCIATION WITH ARKANSAS BROKER OF RECORD:**  
**FLAKE & KELLEY COMMERCIAL**



3451 U.S. HIGHWAY 412, SILOAM SPRINGS, AR

<b>PRICE   CAP RATE:</b>	\$2,745,000   6.85%
<b>NET OPERATING INCOME:</b>	\$188,000
<b>BUILDING AREA:</b>	4,430 ± Square Feet
<b>LAND AREA:</b>	1.64± Acres
<b>YEAR BUILT:</b>	2016
<b>OWNERSHIP:</b>	Fee Simple Interest
<b>OCCUPANCY:</b>	100%

**LEASE OVERVIEW**

<b>Initial Lease Term:</b>	15 Years with (3), 5-year options to extend		
<b>Rent Commencement:</b>	January 2017		
<b>Lease Expiration:</b>	January 2032		
<b>Lease Type:</b>	Corporate – Absolute NNN Lease		
<b>Rent Increases:</b>	See parenthesis below		
<b>Annual Rent Yrs 1-5:</b>	\$188,000	<b>Option 1   Yrs 16-20:</b>	\$226,319 (10%)
<b>Annual Rent Yrs 6-10:</b>	\$196,450 (4.49%)	<b>Option 2   Yrs 21-25:</b>	\$248,951 (10%)
<b>Annual Rent Yrs 11-15:</b>	\$205,745 (4.73%)	<b>Option 3   Yrs 26-30:</b>	\$273,846 (10%)

Rent is based on a formula that includes a % of total improvement costs and will be adjusted accordingly upon building completion. Annual Rent shown above are estimates. Consequently, the Purchase Price may change but the agreed upon CAP rate will not.

**TENANT OVERVIEW**

LESSEE: COTTON PATCH CAFÉ, LLC  
 GUARANTOR: COTTON PATCH HOLDINGS, INC.



**COTTON PATCH CAFÉ | [www.cottonpatch.com](http://www.cottonpatch.com)**

Cotton Patch Café is an American scratch-made southern food restaurant concept chain with headquarters in Grapevine, Texas. The first Cotton Patch Cafe opened in Nacogdoches, Texas in 1989. The chain consists of 48+ casual dining restaurants in the states of Texas, New Mexico, Oklahoma and Arkansas. The menu offers Southern-style dishes including fried green tomatoes, "chicken-fried" steak and fried pickles. Cotton Patch Cafe was acquired by Altamont Capital Partners of Palo Alto, California in 2015.

**ALTAMONT CAPITAL PARTNERS | [www.altamontcapital.com](http://www.altamontcapital.com)**

Altamont Capital Partners (ACP) is a private equity firm with \$1.3 billion in capital under management, focused primarily on making long term, control investments in middle market businesses. ACP is often drawn to companies undergoing a transition, either operational or strategic, which they believe they can help navigate. ACP's approach relies on partnering with strong management, supporting the business with their considerable resources, and bringing a constructive and pragmatic mindset to drive significant long-term value.

3451 U.S. HIGHWAY 412, SILOAM SPRINGS, AR

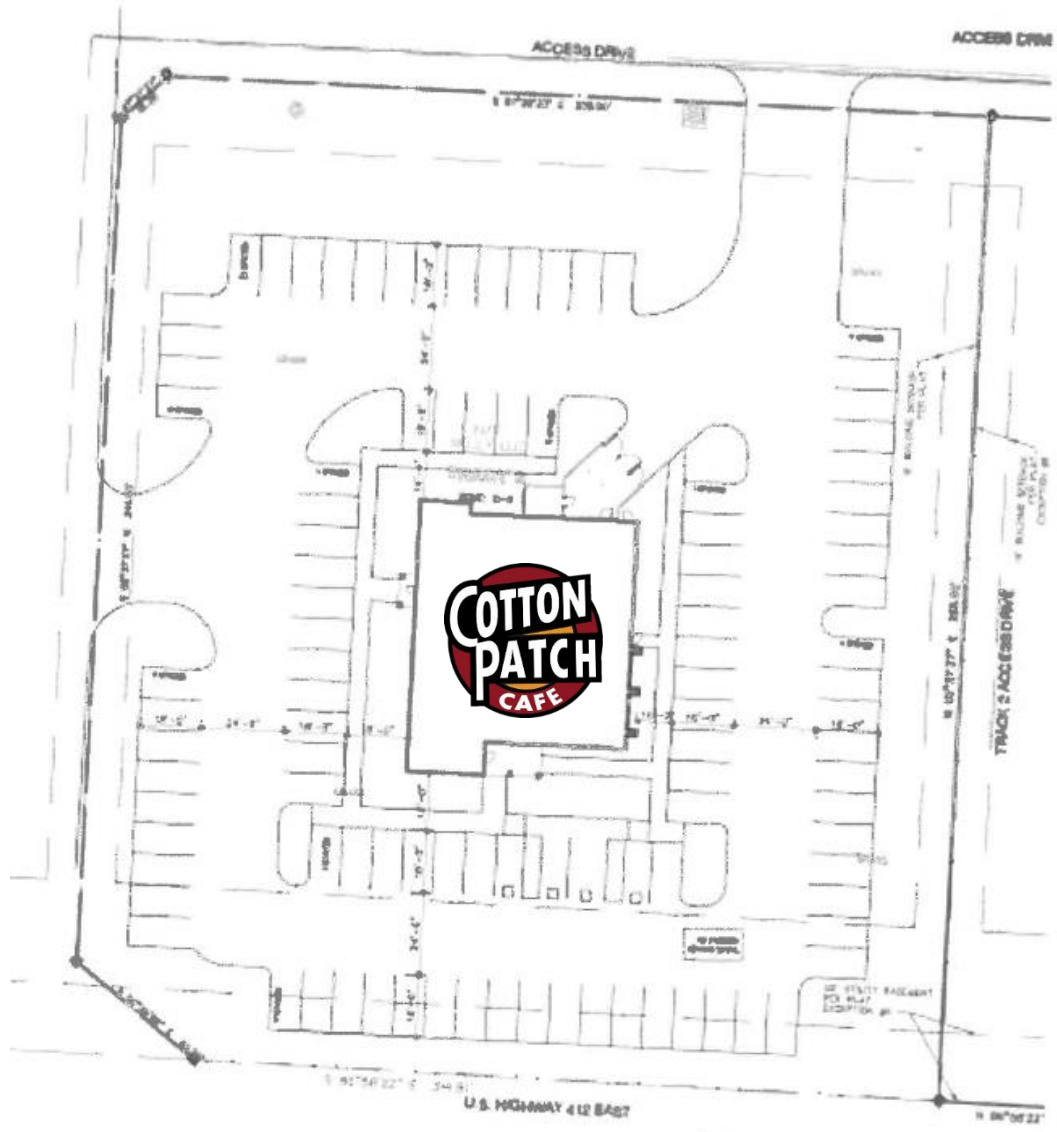


3451 U.S. HIGHWAY 412, SILOAM SPRINGS, AR



**SITE PLAN**  
**COTTON PATCH CAFE**

3451 U.S. HIGHWAY 412, SILOAM SPRINGS, AR



3451 U.S. HIGHWAY 412, SILOAM SPRINGS, AR



PHOTO TAKEN 2.17.17

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PHOTO TAKEN 2-17-17



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PHOTO TAKEN 2.17.17

### **IMMEDIATE TRADE AREA**

Cotton Patch Cafe is situated along US HWY 412, (25,000 VPD), placing it in the heart of the greater Siloam Springs retail activity. US HWY 412 is a major Highway in Arkansas and is the main east-west thoroughfare in Siloam Springs, AR. Siloam Springs, AR is approximately 29-miles from Fayetteville, AR and 219-miles from Little Rock, AR.

The subject property benefits from being an outparcel to a Walmart and Lowe's. Walmart and Lowe's are the primary traffic generators, while supporting notable national credit tenants in the area include, Walgreen's, Tractor Supply, Aldi, Dollar General, Dollar Tree, Anytime Fitness, AutoZone, O'Reilly, AT&T, Verizon, Braum's, McDonald's, Sonic, Taco Bell, Arby's, and many more.

### **SILOAM SPRINGS, AR**

Siloam Springs, located in Northwest Arkansas, presents a vibrant business environment across a variety of retail, commercial and industrial activity. The residents and workforce of Siloam Springs, Arkansas provide high quality markets for many types of entrepreneurial businesses and industrial concerns.

Major companies choose to relocate to Siloam Springs and Northwest Arkansas because of the pro-business attitude of the leadership, a quality workforce, and the successful nature of existing businesses who have located on available properties near Walmart's corporate headquarters in nearby Bentonville and in various business parks in Northwest Arkansas. Business and industry in Siloam Springs have access to a skilled workforce in Northwest Arkansas of more than 250,000 individuals

Siloam Springs' employers have the benefit of being in a central location in the U.S., among a critical mass of business, with world-class talent including a large concentration of white-collar workers. This talent pool is fed by programs in engineering, nursing, business and marketing, and many other concentrations at John Brown University (2,200 Students), which is located in Siloam Springs. The Career Academy of Siloam Springs (CASS) also contributes to the quality workforce with students who graduate with the skills necessary for entry-level positions in hydraulics, pneumatics, welding, industrial electronics, HVAC maintenance and operation, and soon, health sciences and food sciences.

John Brown University presently offers associate's and bachelor's degrees in engineering with concentrations in electrical/computer, mechanical, and renewable energy. It is one of the Top 5 engineering schools in Arkansas. JBU also offers a traditional Bachelor of Science in Nursing. A new \$6 million nursing facility will allow students to train using simulation patient rooms, High Fidelity Simulators, clinical teaching space, exam rooms and lab space.

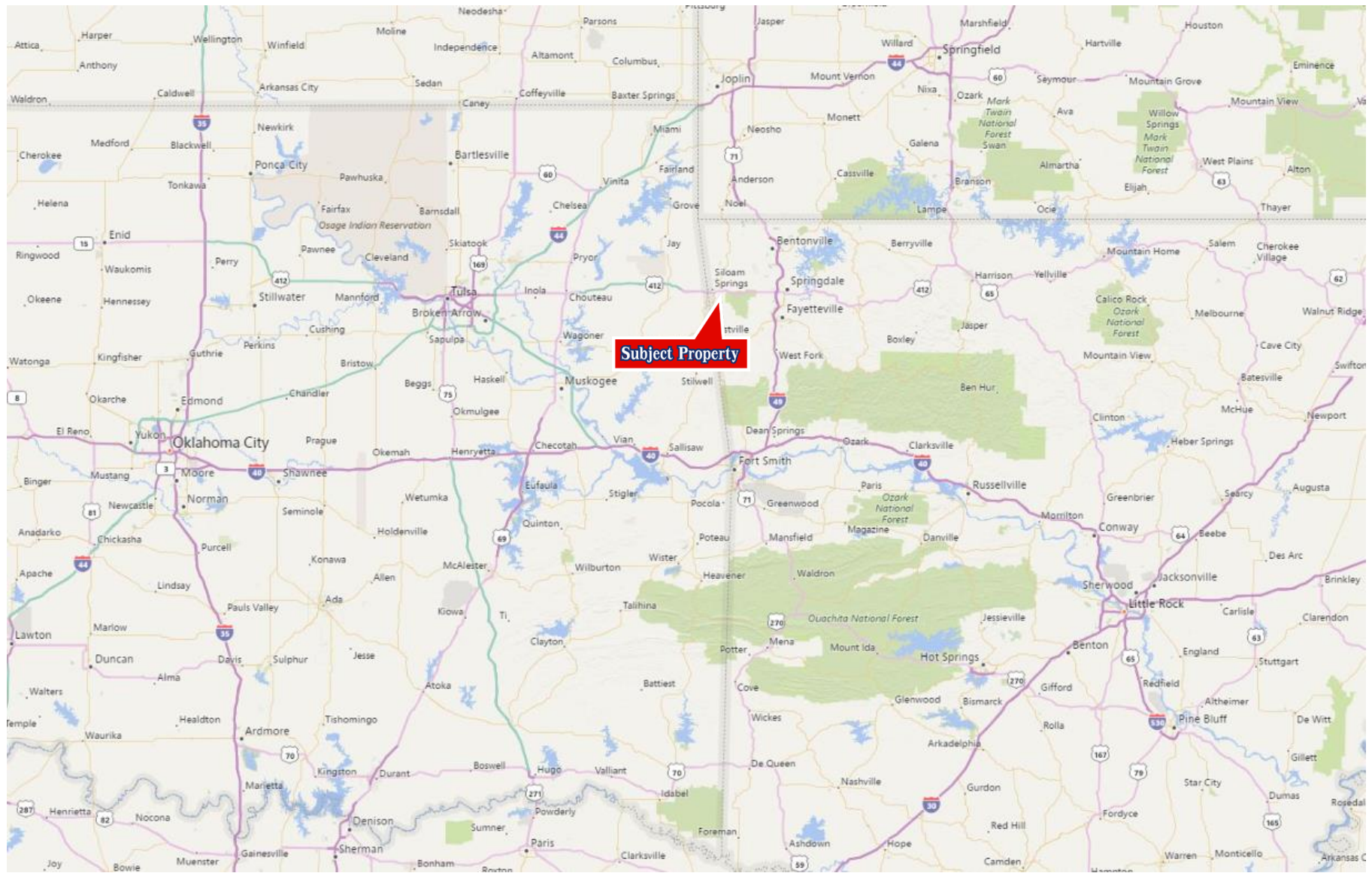
### **NORTHWEST ARKANSAS MSA**

Fueled by an amazing entrepreneurial spirit, Northwest Arkansas emerged from modest beginnings to become one of the nation's dynamic economic regions. Industry leaders such as Walmart, Sam's Club, Tyson Foods and J.B. Hunt started here, and their presence continues to drive Northwest Arkansas growth. It's the perfect place to expand, startup or relocate a business. Thanks to the wide variety of career opportunities provided by the headquarters of industry giants Walmart Stores, Inc., Tyson Foods, Inc. and J.B. Hunt Transport, Inc., and their many suppliers, the region is one of the fastest growing areas in the country. Dynamic growth has continued in the region in numerous business sectors, including corporate services/information technology, food-related industries, healthcare, sustainable technologies, transportation and logistics, hospitality, and retail. The opening of the World Trade Center Arkansas in 2007 permanently altered the business landscape in Northwest Arkansas, and the global business leadership of companies such as Walmart, Tyson Foods and J.B. Hunt Transport Services is evident.

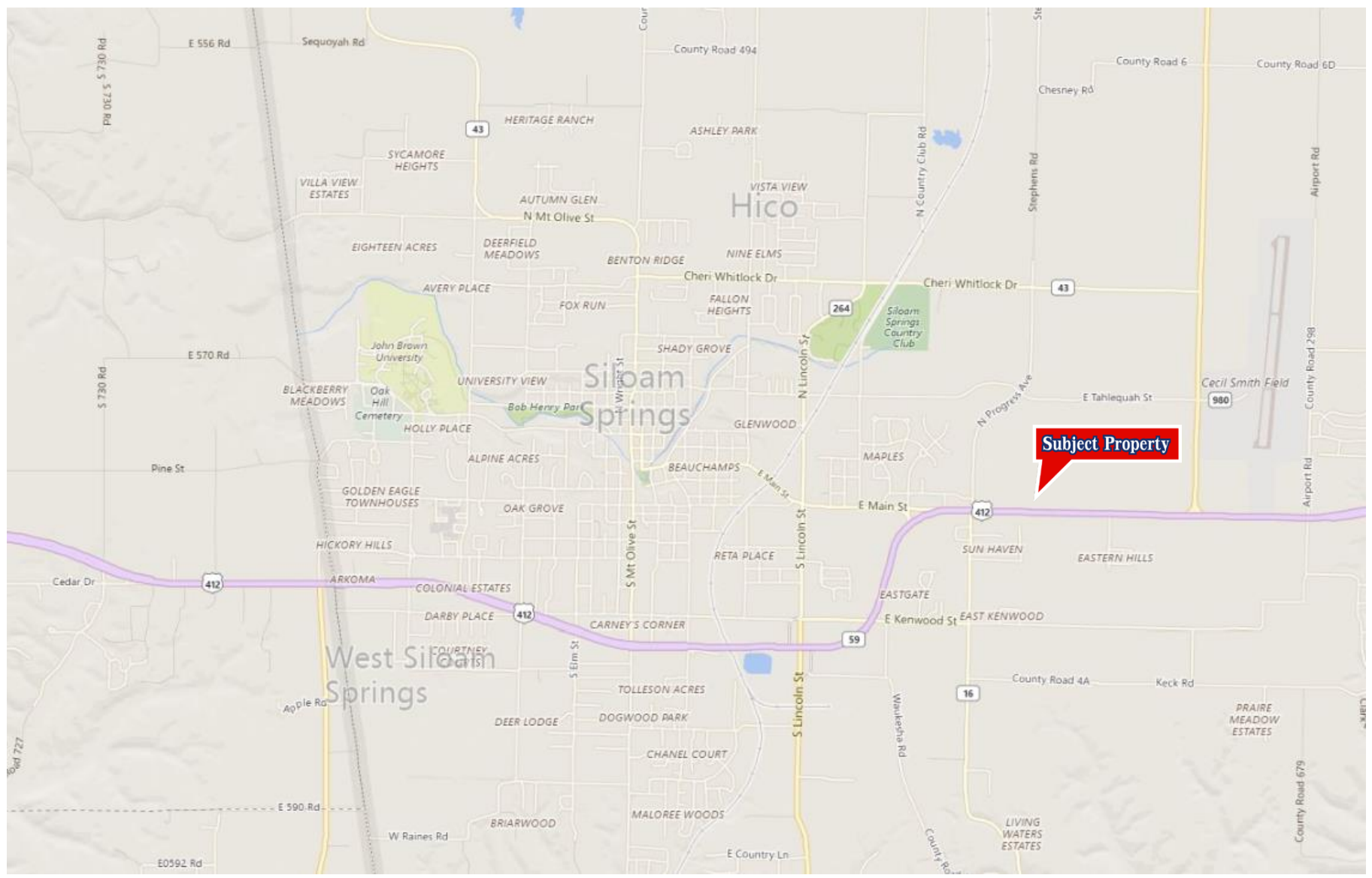
The Northwest Arkansas MSA (Fayetteville-Springdale-Rogers) is ranked No. 7 (out of 18 regions) that will see the most economic growth in 2016. Its economy, in 2014, grew 3.8 percent in 2013. It has been projected to grow at 4.2 percent annually between 2013 and 2020, making it one of the top metropolitan areas in the nation. The region's "gross metropolitan Product" ranked No. 3 for the 2013-2020 projection period, behind Austin, TX at 4.4 percent and Raleigh, NC at 4.3 percent.

The Northwest Arkansas MSA reached a population of 500,000 in May 2014. The region has added 24 people a day since the U.S. Census. The area has more than doubled in population since 1990. The significance of reaching this milestone is that many companies use the 500,000 population benchmark as an early way to narrow down a list of locations for relocation or expansion purposes.

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3451 US-412		1 mi radius	3 mi radius	5 mi radius
Siloam Springs, AR 72761				
POPULATION	2016 Estimated Population	2,522	18,369	23,393
	2021 Projected Population	2,877	20,790	26,327
	2010 Census Population	2,355	17,096	21,832
	2000 Census Population	1,739	12,939	17,014
	Projected Annual Growth 2016 to 2021	2.8%	2.6%	2.5%
	Historical Annual Growth 2000 to 2016	2.8%	2.6%	2.3%
HOUSEHOLDS	2016 Estimated Households	952	6,480	8,317
	2021 Projected Households	1,052	7,142	9,131
	2010 Census Households	869	5,899	7,585
	2000 Census Households	634	4,648	6,105
	Projected Annual Growth 2016 to 2021	2.1%	2.0%	2.0%
	Historical Annual Growth 2000 to 2016	3.1%	2.5%	2.3%
AGE	2016 Est. Population Under 10 Years	15.2%	14.2%	13.8%
	2016 Est. Population 10 to 19 Years	16.1%	16.1%	16.1%
	2016 Est. Population 20 to 29 Years	14.5%	17.7%	16.6%
	2016 Est. Population 30 to 44 Years	20.5%	19.2%	19.1%
	2016 Est. Population 45 to 59 Years	19.4%	17.0%	17.8%
	2016 Est. Population 60 to 74 Years	11.0%	10.5%	11.3%
	2016 Est. Population 75 Years or Over	4.3%	5.3%	5.3%
	2016 Est. Median Age	32.7	30.6	31.9
MARITAL STATUS & GENDER	2016 Est. Male Population	50.7%	49.5%	49.7%
	2016 Est. Female Population	49.3%	50.5%	50.3%
	2016 Est. Never Married	22.7%	32.2%	30.0%
	2016 Est. Now Married	59.0%	47.8%	50.0%
	2016 Est. Separated or Divorced	13.7%	14.2%	14.4%
	2016 Est. Widowed	4.6%	5.7%	5.6%
INCOME	2016 Est. HH Income \$200,000 or More	1.2%	1.1%	1.4%
	2016 Est. HH Income \$150,000 to \$199,999	2.6%	2.2%	2.8%
	2016 Est. HH Income \$100,000 to \$149,999	6.2%	8.7%	9.0%
	2016 Est. HH Income \$75,000 to \$99,999	10.0%	11.7%	12.1%
	2016 Est. HH Income \$50,000 to \$74,999	20.2%	23.5%	23.6%
	2016 Est. HH Income \$35,000 to \$49,999	21.7%	17.5%	16.9%
	2016 Est. HH Income \$25,000 to \$34,999	11.3%	10.5%	10.7%
	2016 Est. HH Income \$15,000 to \$24,999	14.4%	13.2%	12.6%
	2016 Est. HH Income Under \$15,000	12.4%	11.5%	10.9%
	2016 Est. Average Household Income	\$53,354	\$56,551	\$58,621
	2016 Est. Median Household Income	\$39,801	\$46,898	\$48,753
	2016 Est. Per Capita Income	\$20,176	\$20,114	\$20,988
2016 Est. Total Businesses	168	881	1,003	
2016 Est. Total Employees	1,804	9,077	10,132	

3451 US-412		1 mi radius	3 mi radius	5 mi radius
Siloam Springs, AR 72761				
LABOR FORCE	2016 Est. Labor Population Age 16 Years or Over	1,908	14,168	18,108
	2016 Est. Civilian Employed	64.3%	58.7%	58.8%
	2016 Est. Civilian Unemployed	0.1%	1.3%	1.3%
	2016 Est. in Armed Forces	-	-	-
	2016 Est. not in Labor Force	35.7%	40.0%	39.9%
	2016 Labor Force Males	49.9%	48.7%	49.0%
2016 Labor Force Females	50.1%	51.3%	51.0%	
OCCUPATION	2010 Occupation: Population Age 16 Years or Over	1,068	7,536	9,681
	2010 Mgmt, Business, & Financial Operations	11.5%	11.0%	11.7%
	2010 Professional, Related	20.0%	17.7%	17.9%
	2010 Service	14.2%	19.5%	18.8%
	2010 Sales, Office	15.5%	21.7%	22.1%
	2010 Farming, Fishing, Forestry	2.6%	1.7%	1.5%
	2010 Construction, Extraction, Maintenance	6.4%	6.8%	7.3%
	2010 Production, Transport, Material Moving	29.8%	21.5%	20.8%
	2010 White Collar Workers	47.0%	50.4%	51.6%
	2010 Blue Collar Workers	53.0%	49.6%	48.4%
TRANSPORTATION TO WORK	2010 Drive to Work Alone	78.9%	79.4%	79.6%
	2010 Drive to Work in Carpool	13.7%	10.6%	10.3%
	2010 Travel to Work by Public Transportation	-	0.4%	0.4%
	2010 Drive to Work on Motorcycle	0.1%	0.4%	0.4%
	2010 Walk or Bicycle to Work	3.0%	4.6%	4.1%
	2010 Other Means	0.2%	0.4%	0.4%
	2010 Work at Home	4.1%	4.2%	4.9%
TRAVEL TIME	2010 Travel to Work in 14 Minutes or Less	56.1%	55.8%	51.0%
	2010 Travel to Work in 15 to 29 Minutes	21.5%	24.2%	26.8%
	2010 Travel to Work in 30 to 59 Minutes	17.0%	16.9%	19.1%
	2010 Travel to Work in 60 Minutes or More	5.4%	3.0%	3.0%
	2010 Average Travel Time to Work	13.4	13.2	14.3
CONSUMER EXPENDITURE	2016 Est. Total Household Expenditure	\$43.5 M	\$308 M	\$404 M
	2016 Est. Apparel	\$1.50 M	\$10.7 M	\$14.1 M
	2016 Est. Contributions, Gifts	\$2.64 M	\$18.7 M	\$25.0 M
	2016 Est. Education, Reading	\$1.47 M	\$10.6 M	\$14.1 M
	2016 Est. Entertainment	\$2.40 M	\$17.1 M	\$22.5 M
	2016 Est. Food, Beverages, Tobacco	\$6.89 M	\$48.6 M	\$63.6 M
	2016 Est. Furnishings, Equipment	\$1.42 M	\$10.2 M	\$13.4 M
	2016 Est. Health Care, Insurance	\$3.98 M	\$27.8 M	\$36.4 M
	2016 Est. Household Operations, Shelter, Utilities	\$13.5 M	\$95.3 M	\$125 M
	2016 Est. Miscellaneous Expenses	\$659 K	\$4.63 M	\$6.05 M
	2016 Est. Personal Care	\$566 K	\$4.02 M	\$5.28 M
	2016 Est. Transportation	\$8.45 M	\$59.9 M	\$78.6 M





**Approved by the Texas Real Estate Commission for Voluntary Use**  
*Texas law requires all real estate licensees to give the following information about  
 brokerage services to prospective buyers, tenants, sellers and landlords.*

## Information About Brokerage Services

**B**efore working with a real estate broker, you should know that the duties of a broker depend on whom the broker represents. If you are a prospective seller or landlord (owner) or a prospective buyer or tenant (buyer), you should know that the broker who lists the property for sale or lease is the owner's agent. A broker who acts as a subagent represents the owner in cooperation with the listing broker. A broker who acts as a buyer's agent represents the buyer. A broker may act as an intermediary between the parties if the parties consent in writing. A broker can assist you in locating a property, preparing a contract or lease, or obtaining financing without representing you. A broker is obligated by law to treat you honestly.

### **IF THE BROKER REPRESENTS THE OWNER:**

The broker becomes the owner's agent by entering into an agreement with the owner, usually through a written - listing agreement, or by agreeing to act as a subagent by accepting an offer of subagency from the listing broker. A subagent may work in a different real estate office. A listing broker or subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first. The buyer should not tell the owner's agent anything the buyer would not want the owner to know because an owner's agent must disclose to the owner any material information known to the agent.

### **IF THE BROKER REPRESENTS THE BUYER:**

The broker becomes the buyer's agent by entering into an agreement to represent the buyer, usually through a written buyer representation agreement. A buyer's agent can assist the owner but does not represent the owner and must place the interests of the buyer first. The owner should not tell a buyer's agent anything the owner would not want the buyer to know because a buyer's agent must disclose to the buyer any material information known to the agent.

### **IF THE BROKER ACTS AS AN INTERMEDIARY:**

A broker may act as an intermediary between the parties if the broker complies with The Texas Real Estate License Act. The broker must obtain the written consent of each party to the transaction to act as an

intermediary. The written consent must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. The broker is required to treat each party honestly and fairly and to comply with The Texas Real Estate License Act. A broker who acts as an intermediary in a transaction:

(1) shall treat all parties honestly;

(2) may not disclose that the owner will accept a price less than the asking price unless authorized in writing to do so by the owner;

(3) may not disclose that the buyer will pay a price greater than the price submitted in a written offer unless authorized in writing to do so by the buyer; and

(4) may not disclose any confidential information or any information that a party specifically instructs the broker in writing not to disclose unless authorized in writing to disclose the information or required to do so by The Texas Real Estate License Act or a court order or if the information materially relates to the condition of the property.

With the parties' consent, a broker acting as an intermediary between the parties may appoint a person who is licensed under The Texas Real Estate License Act and associated with the broker to communicate with and carry out instructions of one party and another person who is licensed under that Act and associated with the broker to communicate with and carry out instructions of the other party.

**If you choose to have a broker represent you,** you should enter into a written agreement with the broker that clearly establishes the broker's obligations and your obligations. The agreement should state how and by whom the broker will be paid. You have the right to choose the type of representation, if any, you wish to receive. Your payment of a fee to a broker does not necessarily establish that the broker represents you. If you have any questions regarding the duties and responsibilities of the broker, you should resolve those questions before proceeding.

Real estate licensee asks that you acknowledge receipt of this information about brokerage services for the licensee's records.

Buyer, Seller, Landlord or Tenant

Date

Texas Real Estate Brokers and Salespersons are licensed and regulated by the Texas Real Estate Commission (TREC). If you have a question or complaint regarding a real estate licensee, you should contact TREC at P.O. Box 12188, Austin, Texas 78711-2188, 512-936-3000 (<http://www.trec.texas.gov>)