

NNN Dave & Buster's Ground Lease Westlake, Ohio



Exclusive Offering By:

Kyle Hartung | 216-381-8200 x 205
kyle@goodmanrealestate.com

Offering Memorandum

Goodman Real Estate Services Group LLC
www.goodmanrealestate.com

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Presented By:

Kyle Hartung
Director of Investment Sales
Goodman Real Estate Services Group LLC
25333 Cedar Road, Suite 305
Cleveland, Ohio 44122

Email: kyle@goodmanrealestate.com
Phone: 216-381-8200 x205



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The Property - Investment Summary

Property	Dave & Buster's Ground Lease
Tenant	Dave & Buster's, Inc. (NASDAQ: PLAY) 2015 Revenue: \$867 Million
Guaranty	Corporate
Guaranteed Term Remaining	10.5 Years plus Options
Address	25735 1st Street Westlake, Ohio 44145
Major Market	Cleveland-Akron-Canton CSA
Market Population	3,515,646
Lease Type	NNN Ground Lease
Lease Term	November 7, 2001 - November 30, 2026
Recent Extension	2015 - Tenant Extended Lease Early, Adding 5 Additional Years to Lease
Renewal Options	Two (2) — Five (5) year Options
Building Size	57,500 square feet
Lot Size	10.7197 acres
Net Operating Income	\$548,216 (as of December 1, 2016)
Cap Rate	6.4%
Price	\$8,566,000



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The Property - Property Description

Investment Highlights

- Dave & Buster's, Inc. Corporate Lease
- NNN Ground Lease Provides Hands-Off Investment
- 10.5 Years of Guaranteed Term Remain - Early Lease Extension and \$2 Million Store Upgrade Shows Tenant's Commitment to the Site
- Large-Format, Full-Size Footprint Due to Regional Location and No Competition
- Highly-Visible Interstate 90 Interchange Location
- Located in Densely-Populated and Affluent Cleveland Suburb Average Incomes Within 3 Miles Exceed \$103,000

Property Description

For sale to qualified investors is the fee-simple interest in a corporate Dave & Buster's ground lease located in Westlake, Ohio. Dave & Buster's commenced a twenty-year, absolute triple-net ground lease in 2001, and, due to an early lease extension by the tenant, they currently have over 10 years of guaranteed lease term remaining. Dave & Buster's has invested heavily in this location by recently completing an exterior and interior prototypical upgrade and remodel costing them over \$2 million. Due to the property's access to Cleveland's entire west-side population within a 15-minute drive, Dave & Buster's constructed their full-size, 57,500-square-foot prototype in this location. The facility features their full-size arcade room, restaurant and bar area, and also features private rooms for large parties and corporate events. Because this is the only Dave & Buster's serving the Cleveland market, the total market size for this location is over 3.5 million people. Additionally, the property is surrounded by hotels, which include Courtyard by Marriott, TownPlace Suites by Marriott, and Super 8. Other nearby retailers include Outback Steakhouse, Carrabba's, Panera, Taco Bell, KeyBank, Walgreens, KFC, McDonalds and others. Located one mile west is Crocker Park, the area's largest open-air shopping center featuring Trader Joe's, Bed Bath & Beyond, Barnes & Noble, The Cheesecake Factory, and the new American Greetings headquarters.

Westlake, Ohio

Settled in 1810 and officially incorporated in 1957, the City of Westlake is an affluent suburb of Cleveland, Ohio. Westlake is located primarily between Interstate 90 and Center Ridge Road, and is bordered by other affluent communities such as Avon, Bay Village, and Rocky River. There are over 235,000 people within a 10-minute drive from the center of the city, and residents can access downtown Cleveland within only 10 to 15 minutes. The largest employers in the city include Hyland Software, St. John's Medical Center, and, beginning in 2016, American Greetings, who selected Westlake as the home of their new corporate headquarters, which is currently under construction.



Cleveland, Ohio, is the home to top healthcare systems, major corporate headquarters, professional sports franchises, multiple higher education institutions, industry, hospitality, entertainment, and nightlife. Prominent healthcare systems include Cleveland Clinic, University Hospitals and MetroHealth; corporate headquarters include Sherwin Williams, American Greetings, Progressive Insurance, Key Bank and DDR; higher education institutions include Case Western Reserve University, Cleveland State University, John Carroll University and Notre Dame College.

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The Property - Property Photos



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The Property - Property Photos



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The Property - Property Photos



NNN Dave & Buster's Ground Lease Westlake, Ohio

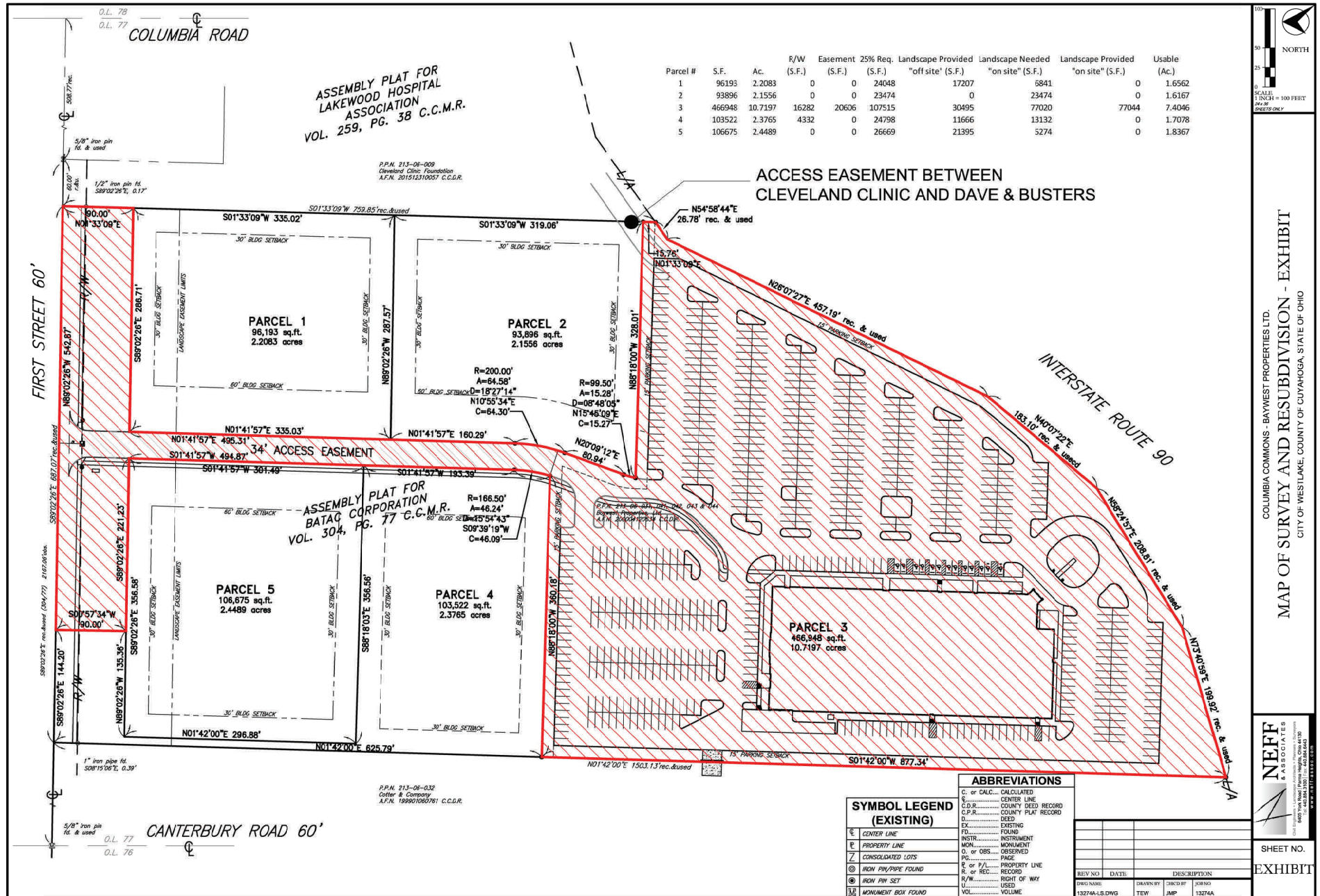
The Property - Property Photos



NNN Dave & Buster's Ground Lease

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The Property - Parcel Layout



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Performance & Tenancy - Rent Roll

Tenant Name	Square Feet		Lease Term		Rental Rates			Recovery		Comments/Options
	Pro-rata	Acres	Begin	End	Begin	Annually	PSF	Type		
Dave & Buster's, Inc.	100%	10.7197	Nov-2001	Nov-2026	Current	\$500,456	NA	NNN Ground Lease	Tenant reimburses for its pro-rata share of access road and detention pond maintenance with a 2% annual cap in increases excluding snow and ice removal. 2015 owner responsibility was \$2,284.29, which has been deducted from annual rent to calculate NOI.	
					Dec-2016	\$550,500				
					Dec-2021	\$562,000				

Options: Two (2) — Five (5) year options.

Option 1 = \$590,000 Annually, Option 2 = \$649,000 Annually





www.daveandbusters.com

Founded in 1982 and headquartered in Dallas, Texas, Dave & Buster's Entertainment, Inc., is the owner and operator of 82 venues in North America that combine dining and entertainment and offer customers the opportunity to "Eat Drink Play and Watch," all in one location. Dave & Buster's offers a full menu of "Fun American New Gourmet" entrées and appetizers, a full selection of alcoholic and non-alcoholic beverages, and an extensive assortment of entertainment attractions centered around playing games and watching live sports and other televised events. Dave & Buster's currently has stores in 30 states and Canada. In October 2014, Dave & Buster's launched an IPO, selling 5.88 million shares at an offering price range of \$16–18. The company is currently traded on the NASDAQ stock exchange using the symbol PLAY.

2015 Operating Results - Outperforming Expectations...

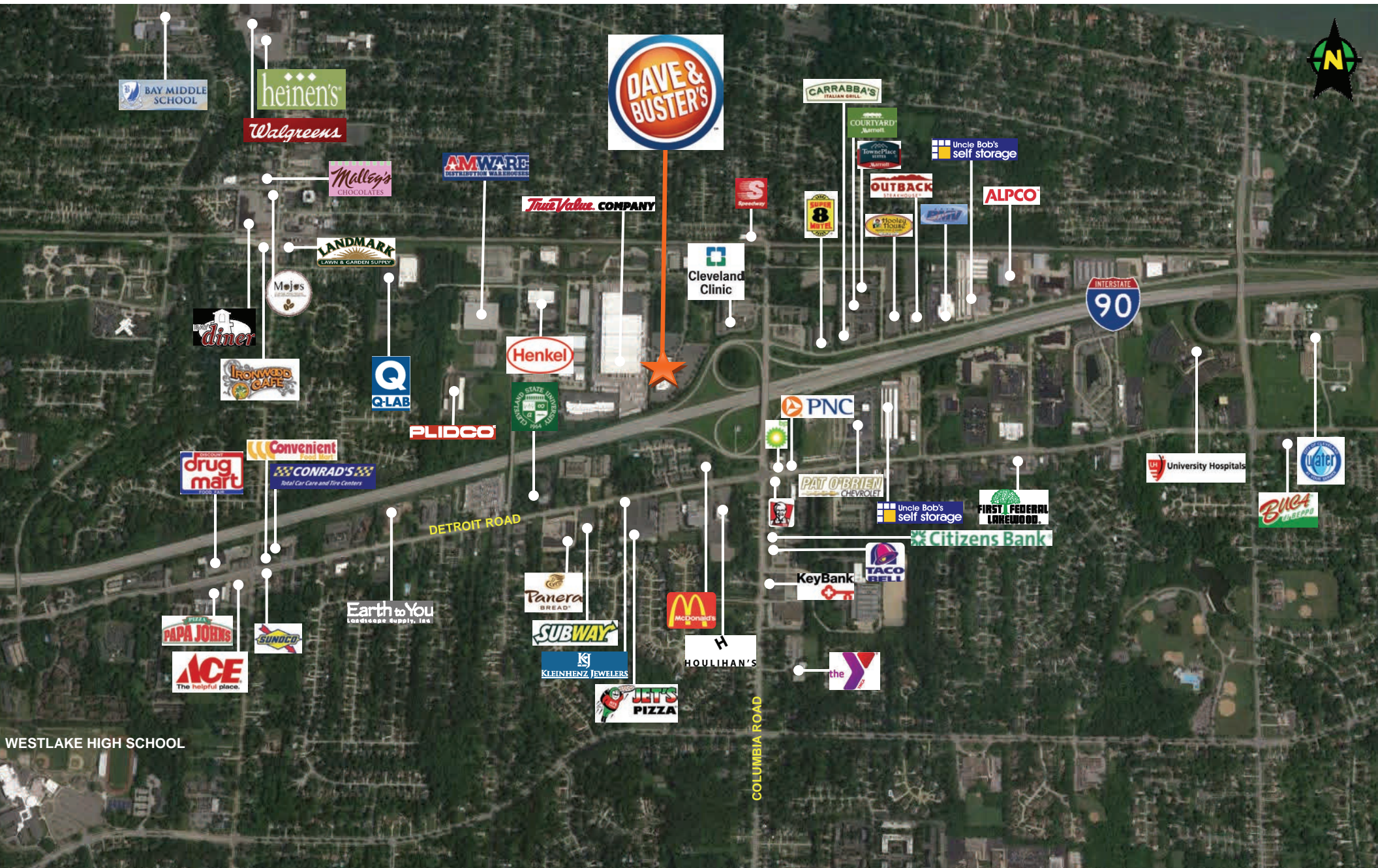
Key highlights from the full year 2015 compared to the full year 2014 include:

- Total revenues increased 16.1% to \$867.0 million from \$746.8 million.
- Comparable store sales increased 8.9%.
- Opened ten stores, including one relocation, compared to eight stores in fiscal 2014.
- Adjusted EBITDA, a non-GAAP measure, increased 30.5% to \$215.4 million from \$165.1 million. As a percentage of total revenues, Adjusted EBITDA increased approximately 270 basis points to 24.8%.
- Net income increased 680.8% to \$59.6 million, or \$1.39 per diluted share, compared to net income of \$7.6 million, or \$0.21 per diluted share, for the full year 2014.
- Pro forma net income, a non-GAAP measure, increased 98.2% to \$65.0 million, or \$1.52 per diluted share, compared to \$32.8 million, or \$0.78 per diluted share, for the full year 2014.

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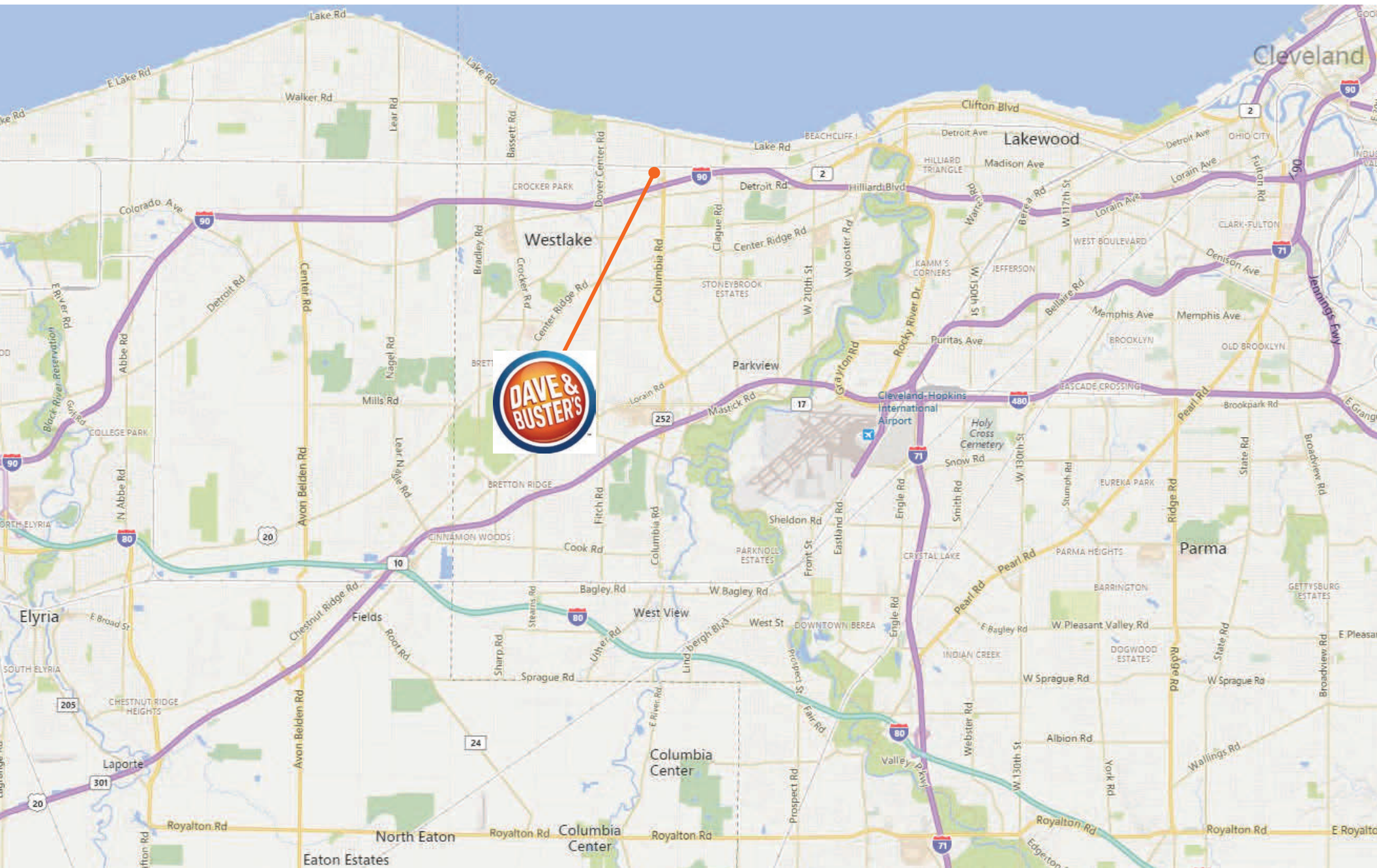
Market Overview - Market Aerial



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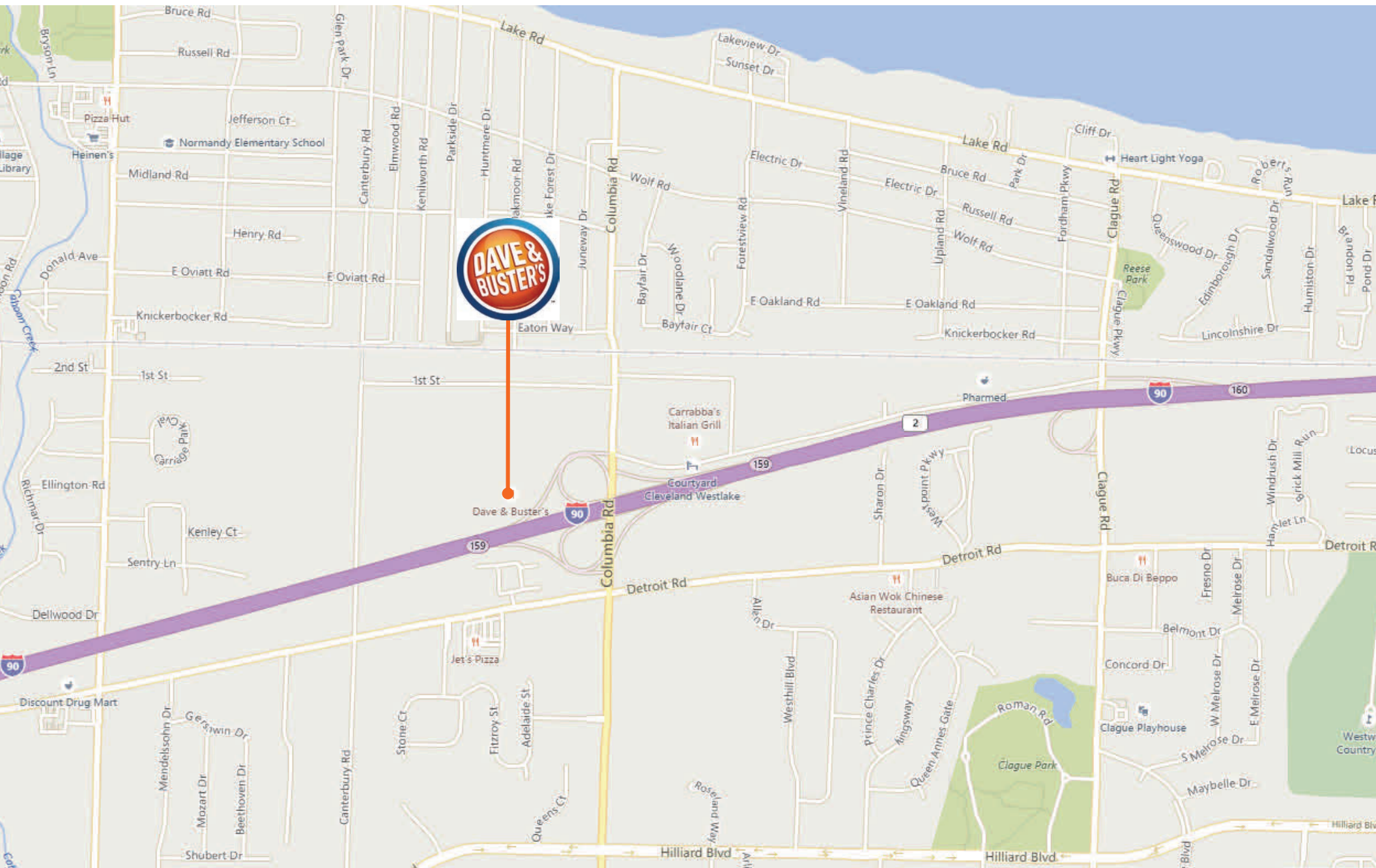
Market Overview - Regional Map



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Westlake, Ohio

Market Overview - Local Map



NNN Dave & Buster's Ground Lease

Westlake, Ohio

Market Overview - Demographics

25735 1st Street		1 Mile	3 Miles	5 Miles	7 Miles
Westlake, Ohio					
POPULATION	2015 Estimated Population	7,602	53,516	137,145	264,896
	2020 Projected Population	7,417	53,018	135,791	262,668
	2010 Census Population	8,084	56,716	143,262	274,451
	2000 Census Population	8,401	57,316	143,694	276,119
	Projected Annual Growth 2015 to 2020	-0.5%	-0.2%	-0.2%	-0.2%
	Historical Annual Growth 2000 to 2015	-0.6%	-0.4%	-0.3%	-0.3%
	HOUSEHOLDS	2015 Estimated Households	3,311	23,949	61,849
2020 Projected Households		3,276	24,069	62,033	120,154
2010 Census Households		3,375	24,313	61,805	118,400
2000 Census Households		3,426	24,070	60,768	116,734
Projected Annual Growth 2015 to 2020		-0.2%	0.1%	0.1%	0.1%
Historical Annual Growth 2000 to 2015		-0.2%	-	0.1%	0.2%
AGE		2015 Est. Population Under 10 Years	12.9%	11.0%	11.2%
	2015 Est. Population 10 to 19 Years	12.2%	11.8%	11.8%	11.8%
	2015 Est. Population 20 to 29 Years	8.8%	8.8%	10.4%	11.4%
	2015 Est. Population 30 to 44 Years	20.7%	18.2%	18.8%	19.7%
	2015 Est. Population 45 to 59 Years	21.9%	22.0%	22.1%	21.7%
	2015 Est. Population 60 to 74 Years	16.7%	17.8%	16.8%	16.0%
	2015 Est. Population 75 Years or Over	7.0%	10.3%	8.9%	8.0%
	2015 Est. Median Age	40.8	44.3	42.5	41.0
INCOME	2015 Est. HH Income \$200,000 or More	6.3%	9.0%	7.1%	5.1%
	2015 Est. HH Income \$150,000 to \$199,999	8.5%	8.4%	6.9%	5.7%
	2015 Est. HH Income \$100,000 to \$149,999	16.7%	16.6%	16.1%	14.2%
	2015 Est. HH Income \$75,000 to \$99,999	15.6%	14.6%	13.5%	13.0%
	2015 Est. HH Income \$50,000 to \$74,999	24.9%	19.2%	18.6%	18.7%
	2015 Est. HH Income \$35,000 to \$49,999	9.2%	10.9%	12.8%	13.6%
	2015 Est. HH Income \$25,000 to \$34,999	8.4%	8.6%	9.7%	10.3%
	2015 Est. HH Income \$15,000 to \$24,999	5.3%	6.4%	7.8%	9.0%
	2015 Est. HH Income Under \$15,000	5.1%	6.5%	7.6%	10.4%
	2015 Est. Average Household Income	\$93,689	\$103,674	\$91,774	\$79,692
	2015 Est. Median Household Income	\$73,896	\$76,928	\$69,769	\$62,741
	2015 Est. Per Capita Income	\$40,850	\$46,507	\$41,475	\$36,044

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Westlake, Ohio					
EDUCATION (Adults 25 or Older)	2015 Est. Adult Population (25 Years or Over)	6,611	48,520	121,426	231,256
	2015 Est. Elementary (Grade Level 0 to 8)	3.1%	2.2%	2.6%	3.5%
	2015 Est. Some High School (Grade Level 9 to 11)	3.7%	5.2%	5.8%	8.3%
	2015 Est. High School Graduate	15.6%	16.1%	17.0%	19.9%
	2015 Est. Some College	17.9%	15.3%	16.6%	17.2%
	2015 Est. Associate Degree Only	7.4%	5.4%	5.9%	6.0%
	2015 Est. Bachelor Degree Only	23.2%	24.6%	23.9%	20.7%
	2015 Est. Graduate Degree	29.1%	31.3%	28.1%	24.3%
HOUSING	2015 Est. Total Housing Units	3,503	25,601	65,763	127,395
	2015 Est. Owner-Occupied	77.1%	71.6%	67.1%	63.9%
	2015 Est. Renter-Occupied	17.4%	21.9%	26.9%	30.0%
	2015 Est. Vacant Housing	5.5%	6.5%	6.0%	6.1%
HOMES BUILT BY YEAR	2010 Homes Built 2005 or later	1.3%	2.1%	2.9%	3.0%
	2010 Homes Built 2000 to 2004	3.3%	4.0%	4.1%	4.2%
	2010 Homes Built 1990 to 1999	9.5%	10.6%	9.5%	9.3%
	2010 Homes Built 1980 to 1989	7.5%	12.4%	9.8%	8.2%
	2010 Homes Built 1970 to 1979	12.2%	15.7%	13.6%	12.1%
	2010 Homes Built 1960 to 1969	10.4%	14.2%	15.8%	14.2%
	2010 Homes Built 1950 to 1959	26.7%	21.3%	18.6%	17.9%
	2010 Homes Built Before 1949	29.1%	19.7%	25.8%	31.0%
HOME VALUES	2010 Home Value \$1,000,000 or More	0.3%	0.6%	0.5%	0.4%
	2010 Home Value \$500,000 to \$999,999	3.1%	3.4%	3.2%	2.3%
	2010 Home Value \$400,000 to \$499,999	1.9%	3.5%	3.6%	2.5%
	2010 Home Value \$300,000 to \$399,999	6.4%	9.0%	7.6%	6.2%
	2010 Home Value \$200,000 to \$299,999	23.0%	26.8%	22.8%	18.9%
	2010 Home Value \$150,000 to \$199,999	29.7%	21.2%	24.2%	22.0%
	2010 Home Value \$100,000 to \$149,999	25.2%	23.0%	24.6%	27.9%
	2010 Home Value \$50,000 to \$99,999	8.1%	9.3%	10.2%	15.4%
	2010 Home Value \$25,000 to \$49,999	0.9%	1.3%	1.5%	2.0%
	2010 Home Value Under \$25,000	1.4%	1.9%	1.8%	2.3%
	2010 Median Home Value	\$180,859	\$195,338	\$189,416	\$169,710
	2010 Median Rent	\$814	\$815	\$716	\$665

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LABOR FORCE	2015 Est. Labor Population Age 16 Years or Over	6,020	43,631	111,769	215,053
	2015 Est. Civilian Employed	66.2%	63.7%	64.3%	63.9%
	2015 Est. Civilian Unemployed	1.9%	2.1%	2.7%	3.2%
	2015 Est. in Armed Forces	0.3%	-	-	-
	2015 Est. not in Labor Force	31.7%	34.2%	33.0%	32.9%
	2015 Labor Force Males	46.9%	46.4%	47.3%	47.6%
	2015 Labor Force Females	53.1%	53.6%	52.7%	52.4%
OCCUPATION	2010 Occupation: Population Age 16 Years or Over	3,789	27,029	70,417	134,292
	2010 Mgmt, Business, & Financial Operations	20.7%	19.9%	18.4%	16.7%
	2010 Professional, Related	31.8%	29.4%	27.2%	24.8%
	2010 Service	10.7%	12.9%	14.4%	16.4%
	2010 Sales, Office	26.5%	25.6%	26.6%	26.0%
	2010 Farming, Fishing, Forestry	-	-	-	0.1%
	2010 Construction, Extraction, Maintenance	4.2%	5.0%	5.0%	5.6%
	2010 Production, Transport, Material Moving	6.1%	7.3%	8.4%	10.5%
	2010 White Collar Workers	79.0%	74.9%	72.2%	67.5%
2010 Blue Collar Workers	21.0%	25.1%	27.8%	32.5%	
TRAVEL TIME	2010 Travel to Work in 14 Minutes or Less	25.1%	27.4%	25.3%	24.7%
	2010 Travel to Work in 15 to 29 Minutes	40.1%	38.2%	41.5%	42.9%
	2010 Travel to Work in 30 to 59 Minutes	31.3%	30.6%	29.8%	28.5%
	2010 Travel to Work in 60 Minutes or More	3.5%	3.7%	3.4%	3.9%
	2010 Average Travel Time to Work	23.0	22.5	22.1	21.9
CONSUMER EXPENDITURE	2015 Est. Total Household Expenditure	\$224 M	\$1.72 B	\$4.08 B	\$7.13 B
	2015 Est. Apparel	\$7.83 M	\$60.3 M	\$142 M	\$248 M
	2015 Est. Contributions, Gifts	\$16.0 M	\$128 M	\$293 M	\$494 M
	2015 Est. Education, Reading	\$8.99 M	\$71.9 M	\$166 M	\$280 M
	2015 Est. Entertainment	\$12.7 M	\$97.4 M	\$230 M	\$400 M
	2015 Est. Food, Beverages, Tobacco	\$33.6 M	\$257 M	\$615 M	\$1.08 B
	2015 Est. Furnishings, Equipment	\$7.87 M	\$60.8 M	\$142 M	\$246 M
	2015 Est. Health Care, Insurance	\$19.2 M	\$148 M	\$353 M	\$624 M
	2015 Est. Household Operations, Shelter, Utilities	\$69.1 M	\$533 M	\$1.26 B	\$2.21 B
	2015 Est. Miscellaneous Expenses	\$3.25 M	\$25.1 M	\$59.8 M	\$105 M
	2015 Est. Personal Care	\$2.90 M	\$22.2 M	\$52.7 M	\$92.4 M
	2015 Est. Transportation	\$42.3 M	\$321 M	\$764 M	\$1.34 B