



ACTUAL SITE

FAMOUS DAVE'S



EL PASO, TEXAS

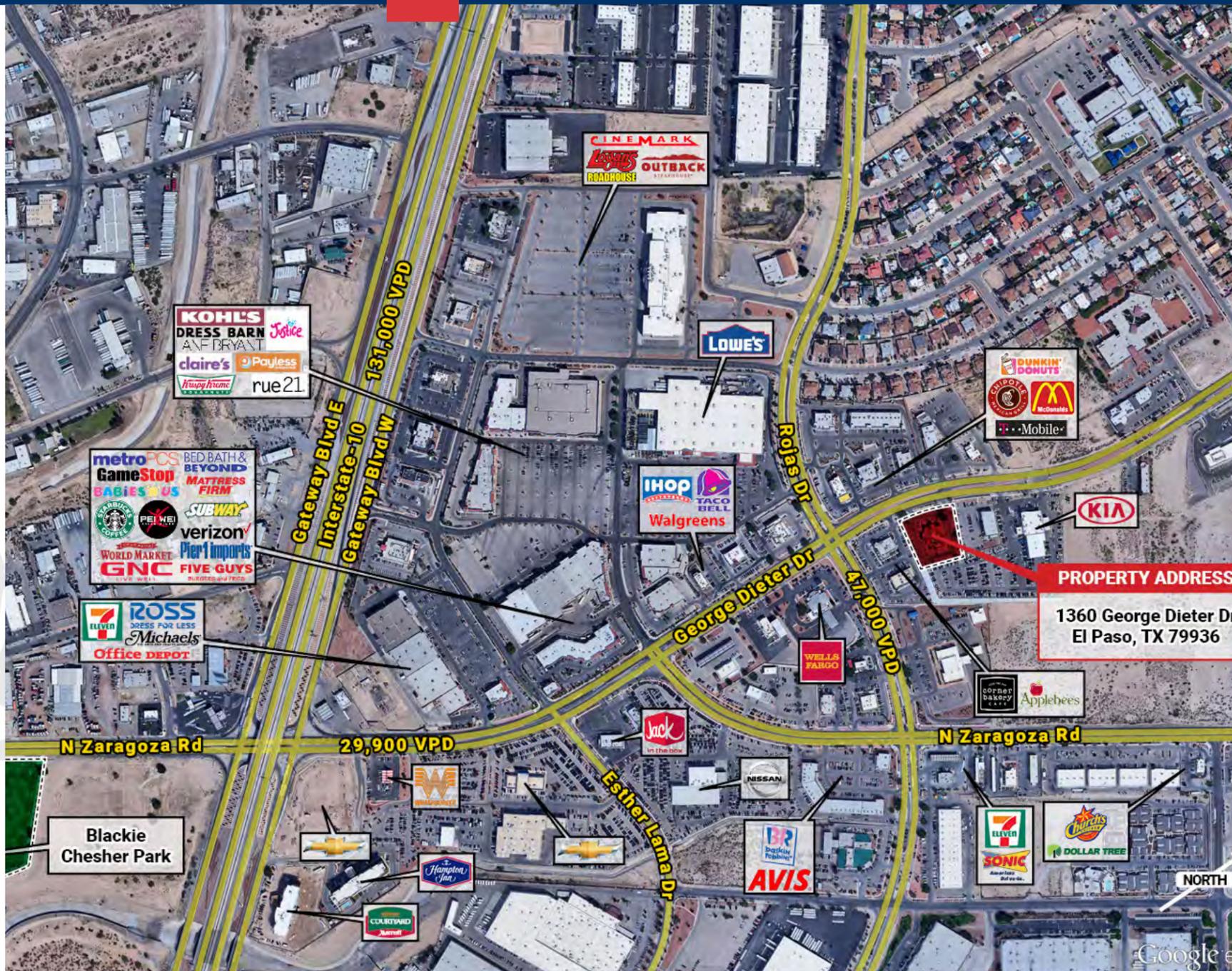
OFFERING MEMORANDUM

INVESTMENT OVERVIEW

Marcus & Millichap is pleased to present this Famous Dave's Restaurant in El Paso, Texas. Famous Dave's has nearly 14 years remaining on an absolute-net lease with zero landlord responsibilities. There are annual rent increases ranging from 1.25 percent to 1.75 percent. Famous Dave's has exercised two extensions early, demonstrating their commitment to this location. The operator; Triple A Restaurants, Incorporated (Inc); reports strong unit level performance. Sales per square foot are more than \$100 above the national average and the rent-to-sales ratio is low. 2016 sales at this location were 40 percent above the national average for Famous Dave's Restaurants across the United States. Contact the listing broker for more information on unit level financials. Triple A Restaurants, Incorporated (Inc) operates seven restaurants in the greater El Paso Region, four of which are Famous Dave's Restaurants. The lease is guaranteed by various affiliated entities as well as the principal franchisee and owner of Triple A Restaurants, Incorporated (Inc), Alejandro Orozco.

The subject property benefits from its visibility at the signalized, hard corner intersection of Rojas Drive and George Dieter Drive. More than 77,000 vehicles pass through this intersection daily. Famous Dave's also benefits from being highly visible along George Dieter Drive with more than 240 feet of frontage and multiple points of ingress/egress. More than 29,000 vehicles pass by this asset daily. Famous Dave's also benefits from being in the heart of the East El Paso trade area. Within a half-mile radius, there is more than one million square feet of retail anchored by strong national credits including: Lowes Home Improvement, Cinemark (20 Screens + XD), and Kohl's.

This asset also benefits from strong demographics. East El Paso is the largest and fastest growing neighborhood in the city of El Paso. The 79936-zip code was the second most populous zip code in the entire country in 2013. Additionally, within one mile of the subject property, the population increased more than 11 percent from 2010 to 2017. The average household income (AHHI) exceeds \$71,600 in the one-mile radius.



- Famous Dave's Restaurant in El Paso, Texas | Income-Tax Free State and the Largest City in West Texas
- Nearly 14 Years Remaining on an Absolute-Net Lease | Zero Landlord Responsibilities
- Inflation Hedge | 1.25 Percent to 1.75 Percent Annual Rent Increases
- Tenant Demonstrates Commitment | Extended Lease Term Early Two Times
- The Operator Triple A Restaurant, Inc Reports Strong Performance | Sales Per Square Foot Are More Than \$100 Above National Average and The Rent-to-Sales Ratio is Low
- Sales Were 40 Percent Above the National Average For a Famous Dave's Restaurant in 2016 | Contact Listing Broker for More on Unit Level Financials
- The lease is guaranteed by various affiliated entities as well as the principal franchisee and owner of Triple A Restaurants, Incorporated (Inc), Alejandro Orozco.
- Highly Visible Along George Dieter Drive | More Than 29,990 Vehicles Per Day (VPD)
- Located at Signalized, Hard Corner Intersection of Rojas Drive and George Dieter Drive | More Than 77,000 Vehicles Per Day (VPD)
- Dense Regional Trade Area | One Million Square Feet of Retail in Less Half of a Mile | Anchored by Cinemark (20 Screens + XD), Lowes Home Improvement, Kohl's
- East El Paso | Fastest Growing Neighborhood in the City | 79936 Zip Code was Second Most Populous Zip Code in the Country in 2013
- Explosive Population Growth | More Than 11 Percent Population Increase in One Mile Radius From 2010 to 2017 | Average Household Income (AHHI) Exceeds \$71,600 in One-Mile

FINANCIAL OVERVIEW

| | |
|-----------------------|--|
| PRICE | \$3,637,200 |
| CAP RATE | 6.00% |
| NOI | \$218,232 |
| PRICE PER SQUARE FOOT | \$555.72 |
| RENT PER SQUARE FOOT | \$33.34 |
| YEAR BUILT | 2003 |
| APPROXIMATE LOT SIZE | 1.38 Acres |
| GROSS LEASEABLE AREA | 6,545 |
| TYPE OF OWNERSHIP | Fee Simple |
| LEASE GUARANTOR | <ul style="list-style-type: none"> Sagebrush Barbeque LLC Sonoran Holdings LLC, JIDO LLC Full Term Personal Guarantee from Principal of JIDO LLC Full Term Personal Guarantees from Principals of Triple A Restaurants Inc |
| LEASE TYPE | Absolute-Net |
| ROOF AND STRUCTURE | Tenant Responsible |



ACTUAL SITE

LEASE SUMMARY

| | |
|-------------------------|------------------|
| LEASE COMMENCEMENT DATE | 10/15/2007 |
| LEASE EXPIRATION DATE | 12/31/2031 |
| LEASE TERM | 20 Years |
| TERM REMAINING | 14 Years |
| INCREASES | 1-1.75% Annually |
| OPTIONS TO RENEW | 3, 5-Year |
| FIRST RIGHT OF REFUSAL | Yes |

| RENT SCHEDULE | | | | |
|---------------|------------|-------------|--------------|-----------|
| | BASE RENT | ANNUAL RENT | MONTHLY RENT | INCREASES |
| 1/1/2018 | 12/31/2018 | \$218,232 | \$18,186 | |
| 1/1/2019 | 12/31/2019 | \$222,048 | \$18,504 | 1.75% |
| 1/1/2020 | 12/31/2020 | \$225,936 | \$18,828 | 1.75% |
| 1/1/2021 | 12/31/2021 | \$229,884 | \$19,157 | 1.75% |
| 1/1/2022 | 12/31/2022 | \$233,904 | \$19,492 | 1.75% |
| 1/1/2023 | 12/31/2023 | \$237,996 | \$19,833 | 1.75% |
| 1/1/2024 | 12/31/2024 | \$241,560 | \$20,130 | 1.50% |
| 1/1/2025 | 12/31/2025 | \$245,184 | \$20,432 | 1.50% |
| 1/1/2026 | 12/31/2026 | \$248,856 | \$20,738 | 1.50% |
| 1/1/2027 | 12/31/2027 | \$252,588 | \$21,049 | 1.50% |
| 1/1/2028 | 12/31/2028 | \$256,380 | \$21,365 | 1.50% |
| 1/1/2029 | 12/31/2029 | \$259,584 | \$21,632 | 1.25% |
| 1/1/2030 | 12/31/2030 | \$262,824 | \$21,902 | 1.25% |
| 1/1/2031 | 12/31/2031 | \$266,112 | \$22,176 | 1.25% |

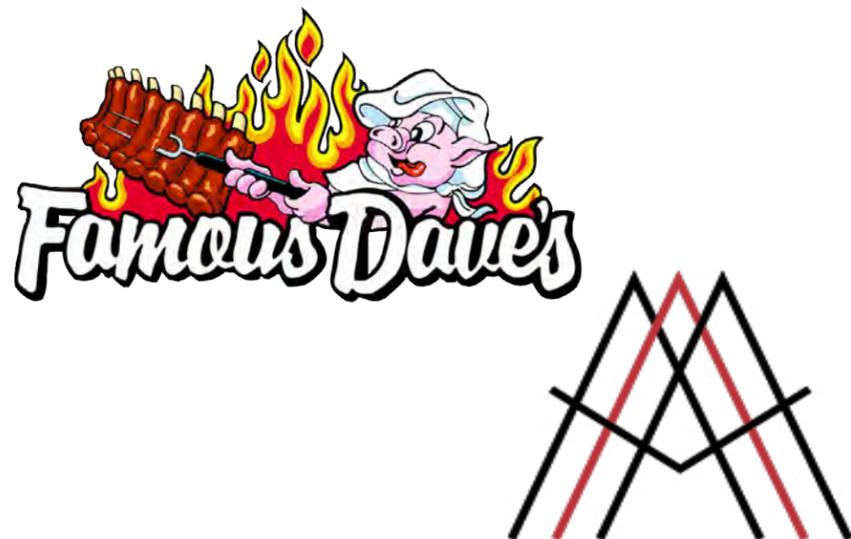


ACTUAL SITE

TENANT OVERVIEW - FAMOUS DAVE'S RESTAURANT

Famous Dave's of America, Incorporated (Inc) was incorporated in Minnesota on March 14, 1994. The Company develops, own, operates and franchises restaurants under the name "Famous Dave's." Famous Dave's restaurants offer full table service, feature wood-smoked and off-the-grill entrée favorites that fit into the broadly defined barbeque category. Famous Dave's differentiates themselves by providing high-quality food in distinctive and comfortable environments with signature décor and signage. As of October 1, 2017, there were 154 Famous Dave's restaurants operating in 32 states, the Commonwealth of Puerto Rico, Canada, and United Arab Emirates, including 25 Company-owned restaurants and 129 franchise-operated restaurants. An additional 61 franchise-operated restaurants were committed to be developed through signed area development agreements as of October 1, 2017. The prototypical design includes the following elements: a designated bar, a signature exterior smokestack, a separate entrance for their To Go business and a patio (where available). Famous Dave's is known for their high-quality food, focus on guest experience, and distinctive environment.

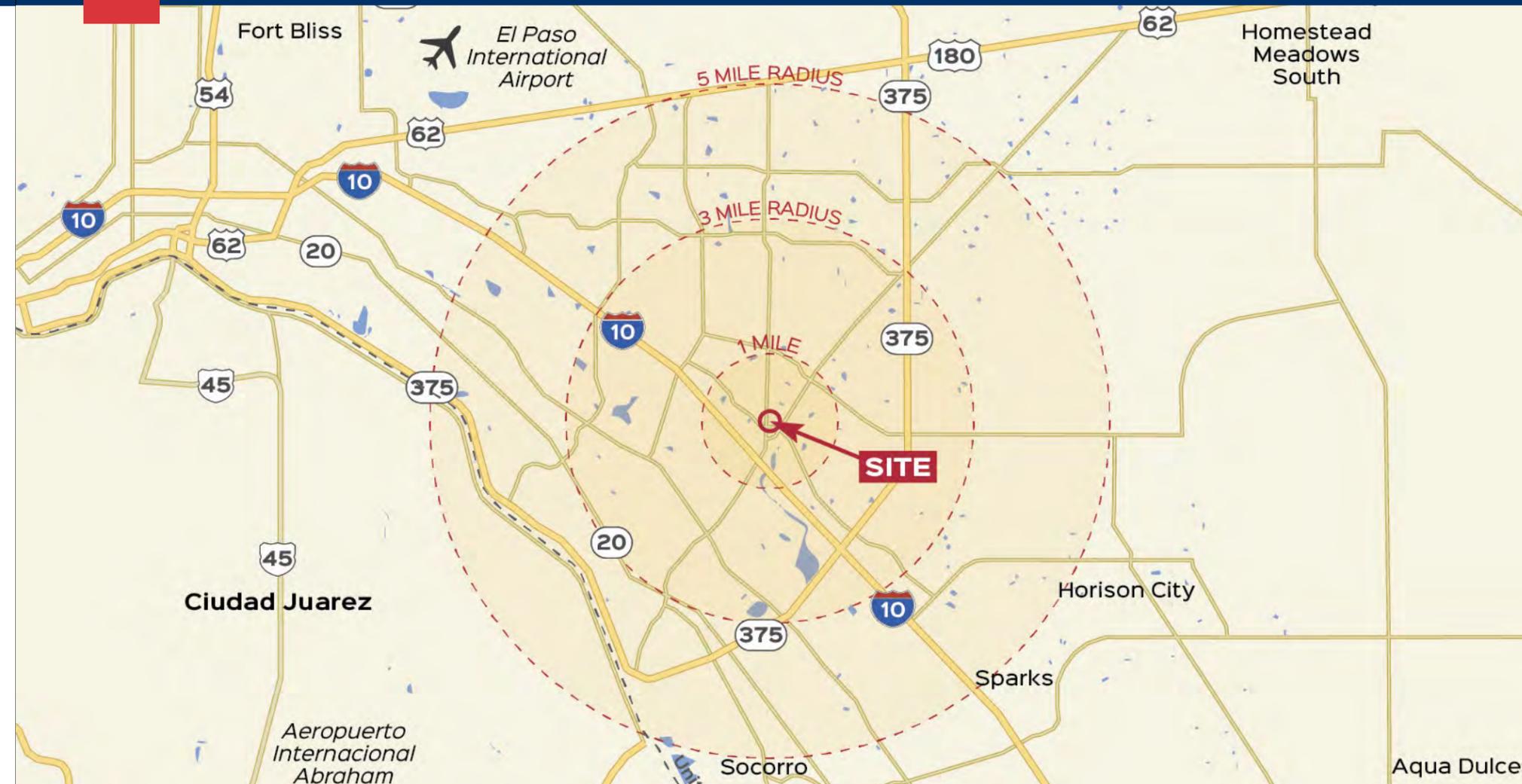
Triple A Restaurants, Incorporated (Inc) is family-owned and operated by the Orozco Family. Triple A operates four Famous Dave's franchised locations in El Paso. Additionally, Triple A operates the upscale Café Central in Downtown El Paso and the more casual Café Grill in West El Paso. In February of 2017, Triple A opened a steakhouse on Airway Boulevard in El Paso called West TX Chophouse.



FILE PHOTO

TENANT PROFILE

| | |
|----------------------------|---|
| TENANT TRADE NAME | Famous Dave's Restaurant |
| OWNERSHIP | Public |
| TENANT | Triple A Restaurants, Incorporated (Inc) (Franchisee) Sagebrush Barbeque LLC, Sonoran Holdings LLC, JIDO LLC, Full Term Personal Guarantee from Principal of JIDO LLC, Full Term Personal Guarantees from Principals of Triple A Restaurants Inc |
| LEASE GUARANTOR | from Principal of JIDO LLC, Full Term Personal Guarantees from Principals of Triple A Restaurants Inc |
| NUMBER OF LOCATIONS | 7 Units |
| HEADQUARTERED | El Paso, Texas |
| WEB SITE | https://www.famousdaves.com/El-Paso-2 |



| | 1-Mile | 3-Mile | 5-Mile |
|-------------------|--------|---------|---------|
| POPULATION | | | |
| 2000 Population | 6,040 | 100,985 | 238,066 |
| 2010 Population | 6,047 | 111,527 | 277,027 |
| 2017 Population | 6,720 | 115,544 | 285,221 |
| 2022 Population | 6,837 | 116,093 | 286,245 |

| | 1-Mile | 3-Mile | 5-Mile |
|-------------------|--------|--------|--------|
| HOUSEHOLDS | | | |
| 2000 Households | 1,858 | 29,674 | 71,380 |
| 2010 Households | 1,976 | 35,719 | 87,677 |
| 2017 Households | 2,203 | 36,950 | 90,097 |
| 2022 Households | 2,243 | 37,113 | 90,389 |

| | 1-Mile | 3-Mile | 5-Mile |
|-------------------------------|----------|----------|----------|
| HOUSEHOLD (HH) INCOMES | | | |
| 2017 Average HH Income | \$71,650 | \$59,190 | \$57,474 |
| 2017 Median HH Income | \$57,477 | \$45,419 | \$45,552 |
| 2017 Per Capita Income | \$23,489 | \$18,928 | \$18,155 |

ABOUT EL PASO

El Paso stands on the Rio Grande river across the Mexico–United States border from Ciudad Juárez, the largest city in the Mexican state of Chihuahua. The two cities, along with Las Cruces in the neighboring United State's state of New Mexico, form a combined international metropolitan area sometimes referred to as the Paso del Norte or El Paso–Juárez–Las Cruces. The region of over 2.7 million people constitutes the largest bilingual and binational work force in the Western Hemisphere.

In 2010, El Paso received an All-America City Award. El Paso has been ranked the safest large city in the United States for four consecutive years and has ranked in the top three since 1997. As of July 1, 2016, the population estimate for the city from the United States Census was 683,080. Its United States metropolitan area covers all of El Paso and Hudspeth counties in Texas, and has a population of 841,971. The El Paso metropolitan area forms part of the larger El Paso–Las Cruces Combined Statistical Area (CSA), with a population of 1,056,178.

El Paso has a diversified economy focused primarily within international trade, military, government civil service, oil and gas, health care, tourism and service sectors. Over the past 15 years the city has become a significant location for American-based call centers. Call center operations employ more than 10,000 people in the area. Automatic Data Processing has an office in West El Paso, employing about 1,100 people with expansion plans to reach 2,200 by 2020. Cotton, fruit, vegetables, and livestock are also produced in the area. El Paso has added a significant manufacturing sector with items and goods produced that include petroleum, metals, medical devices, plastics, machinery, defense-related goods and automotive parts. The city is the second busiest international crossing point in the United States behind San Diego. More than 70 Fortune 500 companies have offices in El Paso, including AT&T, ADP, Boeing, Charles Schwab, Delphi, Dish Network, Eureka, Hoover, Raytheon, Prudential Financial, USAA and Verizon Wireless.

El Paso has a strong federal and military presence. William Beaumont Army Medical Center, Biggs Army Airfield, and Fort Bliss call the city home. Fort Bliss is one of the largest military complexes of the United States Army and the largest training area in the United States. Also headquartered in El Paso are the DEA domestic field division seven, El Paso Intelligence Center, Joint Task Force North, United States Border Patrol El Paso Sector, and the United States Border Patrol Special Operations Group (SOG).

EL PASO TOP EMPLOYERS

| No. | Business Name |
|-----|---|
| 1 | Fort Bliss |
| 2 | El Paso Independent School District |
| 3 | City of El Paso |
| 4 | Ysleta Independent School District |
| 5 | T & T Staff Management L.P.[72] |
| 6 | Tenet Healthcare |
| 7 | University of Texas at El Paso |
| 8 | El Paso Healthcare System, LTD. |
| 9 | El Paso County |
| 10 | El Paso Community College |
| 11 | U.S. Customs and Border Protection |
| 12 | Automatic Data Processing, Inc. |
| 13 | University Medical Center |
| 14 | Dish Network |
| 15 | Texas Tech University Health Sciences Network |



EAST EL PASO

The area is located north of Interstate 10, east of Airway Boulevard and south of Montana Avenue. It is the largest and fastest growing area of town with a population of over 150,000. It includes the 79936 zip code, which was considered in 2013 as the most populous in the nation with over 114,000 people. Its neighborhoods are mainly middle-class, but does have a considerable number of affluent neighborhoods. East El Paso is noted also for its ridges and cliffs which offer desirable views of the lower valley, the Franklin Mountains and downtown El Paso. It also possesses the greatest number of entertainment venues in the city.





ROJAS DRIVE
47,000 VPD

Applebees

Famous Dave's

IHOP

LOWE'S

GEORGE DIETER ROAD
29,000 VPD

WELLS FARGO



FAMOUS DAVE'S



EL PASO, TEXAS

1360 GEORGE DIETER DRIVE | EL PASO, TEXAS 79936

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