

GameStop | Single Tenant

ASHLAND, KY



OFFERING MEMORANDUM



Marcus & Millichap

GameStop | Single Tenant

ASHLAND, KY

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Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

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GameStop | Single Tenant

ASHLAND, KY

FINANCING

| Existing Financing | |
|---------------------------|----------------|
| Loan Type | Free and Clear |

| Proposed Financing | |
|---------------------------|--------------|
| FIRST TRUST DEED | |
| Loan Amount | \$708,500 |
| Loan Type | Proposed New |
| Interest Rate | 4.5% |
| Amortization | 25 Years |
| Program | 5 year Fixed |
| Loan to Value | 65 |
| Due Date | 5 Years |
| Debt Coverage Ratio | 1.98 |

FINANCIAL OVERVIEW

Location

1109 Winchester Avenue
Ashland, KY 41101

| | |
|----------------------|-----------------|
| Price | \$1,090,000 |
| Down Payment | 35% / \$381,500 |
| Rentable Square Feet | 2,700 |
| Price/SF | \$403.70 |
| CAP Rate | 8.58% |
| Year Built | 2005 |
| Lot Size | 0.28 Acres |
| Type of Ownership | Fee Simple |

Tenant Summary

| | |
|-------------------------|-----------------------|
| Tenant Trade Name | GameStop, Inc |
| Ownership | Public |
| Tenant | Corporate Store |
| Lease Guarantor | Corporate Guarantee |
| Lease Type | Triple Net (NNN) |
| Roof and Structure | Landlord Responsible |
| Lease Term | 10 Years |
| Lease Commencement Date | 11/21/2005 |
| Rent Commencement Date | 12/1/2015 |
| Lease Expiration Date | 11/30/2020 |
| Term Remaining on Lease | 5.5 Years |
| Increases | Every 5 Years |
| Options | (1) Five Year Options |

Financing

FIRST TRUST DEED

| | |
|---------------|--------------|
| Loan Amount | \$708,500 |
| Loan Type | Proposed New |
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| Amortization | 25 Years |
| Program | 5 year Fixed |
| Loan to Value | 65 |

Loan information is time sensitive and subject to change. Contact your local Marcus & Millichap Capital Corporation representative.

Annualized Operating Data

| Rent Increases | Annual Rent | Monthly Rent |
|----------------------------------|--------------|--------------------------|
| Current Rent | \$96,525.00 | \$8,043.75 |
| Years 16-20 (Option 2) | \$109,080.00 | \$9,090.00 |
| Base Rent (\$35.75/SF) | | \$96,525 |
| Capital Reserves | | \$3,000 |
| Net Operating Income | | \$93,525 |
| Debt Service | | \$47,257 |
| Debt Coverage Ratio | | 1.98 |
| Net Cash Flow After Debt Service | | 12.13% / \$46,268 |
| Principal Reduction | | \$15,695 |
| Total Return | | 16.24% / \$61,964 |

TENANT OVERVIEW

| | |
|----------------------|---|
| Property Name | GameStop Single Tenant |
| Property Address | 1109 Winchester Avenue Ashland, KY 41101 |
| Property Type | Net Leased Electronics |
| Rentable Square Feet | 2,700 |

| | |
|------------------------------|---------------------|
| Tenant Trade Name | GameStop, Inc |
| Ownership | Public |
| Tenant | Corporate Store |
| Sales Volume | \$9.04-Billion |
| Net Worth | |
| Lease Guarantor | Corporate Guarantee |
| Credit Rating | BB+ |
| Valueline Financial Strength | |
| Rating Agency | Standard & Poor's |
| Stock Symbol | GME |
| Board | NYSE |
| Rank | |

| | |
|-----------------------------|----------------------|
| Lease Commencement Date | 11/21/2005 |
| Rent Commencement Date | 12/1/2015 |
| Lease Expiration Date | 11/30/2020 |
| Term Remaining on Lease | 5.5 Years |
| Lease Type | Triple Net (NNN) |
| Roof and Structure | Landlord Responsible |
| Lease Term | 10 Years |
| Year 1 Net Operating Income | |
| Increases | Every 5 Years |

| | |
|------------------------|-----------------------|
| Options to Renew | (1) Five Year Options |
| Options to Terminate | None |
| Options to Purchase | None |
| First Right of Refusal | None |

| | |
|---------------------------|------------------|
| No. of Locations | 6700+ |
| Headquartered | Grapevine, Texas |
| Web Site | www.gamestop.com |
| Franchisee Profile | |
| Years in the Business | |
| Other Concepts Owned | EB Games |

GameStop Corp. (NYSE: GME), a Fortune 500 and S&P 500 company headquartered in Grapevine, Texas, is a global, multichannel video game, consumer electronics and wireless services retailer. GameStop operates more than 6,700 stores across 14 countries. The company's consumer product network also includes www.gamestop.com; www.Kongregate.com, a leading browser-based game site; and Game Informer® magazine, the world's leading print and digital video game publication. In addition, our Technology Brands segment includes our Simply Mac and Spring Mobile stores. Simply Mac, www.simplymac.com, operates 71 stores, selling the full line of Apple products, including laptops, tablets, and smartphones and offering Apple certified warranty and repair services. Spring Mobile, <http://springmobile.com>, sells post-paid AT&T services and

PROPERTY DESCRIPTION

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INVESTMENT OVERVIEW

Investment Highlights

- 100% Occupied by GameStop, Inc. on a Corporately Guaranteed NNN Lease
- GameStop is the Worlds Largest Video Game Retailer and is Traded on the NYSE:GME
- GameStop, Inc. has a Corporate Credit Rating of BB+
- 5.5 Years Remaining on the Lease with (1) Five Year Options to Extend
- Located Within a Dense Retail Trade Area



Marcus & Millichap is pleased to present qualified investors the opportunity to acquire a single-tenant retail property located in Ashland, Kentucky. The property consists of an approximately 2,700 square foot free-standing retail building located on a .28 acre parcel of land on a major retail thoroughfare. The site is fully occupied by GameStop, Inc. on a ten year NNN lease which expires November 30th, 2020 and includes 1 consecutive five year renewal option. On April 13, 2015, the tenant exercised one of their 5 year options, nearly 6 months prior to the expiration of their primary term. The store sales at this site have been consistently solid and were in excess of \$1.4 million in 2014, equating to a 6.83% rent to sales ratio. GameStop is the world's largest video game retailer with over 6,700 locations worldwide and \$9.04 Billion in revenue in 2014. The company has a BB+ credit rating with a stable outlook from Standard & Poors.

Game Stop chose to have this facility built in this location in 2005 due to the site's highly visible location along Winchester Avenue and the tremendous density of other national retailers in the general vicinity.

The site has and will continue to benefit from the cross traffic of customers generated by neighboring national retailer's including: JC Penney, Kroger, Big Lots, Superamerica, Appelbee's, Ruby Tuesday's, Bank of America, Chase, Wendy's, Burger King, Starbucks, Arby's and many others. The sites location within this dense pocket of national retailers combined with increasing store sales and an impressive 4.26% rent to sales ratio, point to continued and long term tenancy.

PROPERTY SUMMARY

The Offering

| | |
|--------------------------|---|
| Property | GameStop Single Tenant |
| Property Address | 1109 Winchester Avenue Ashland, KY 41101 |
| Assessor's Parcel Number | 030-15-06-015.00 |

Site Description

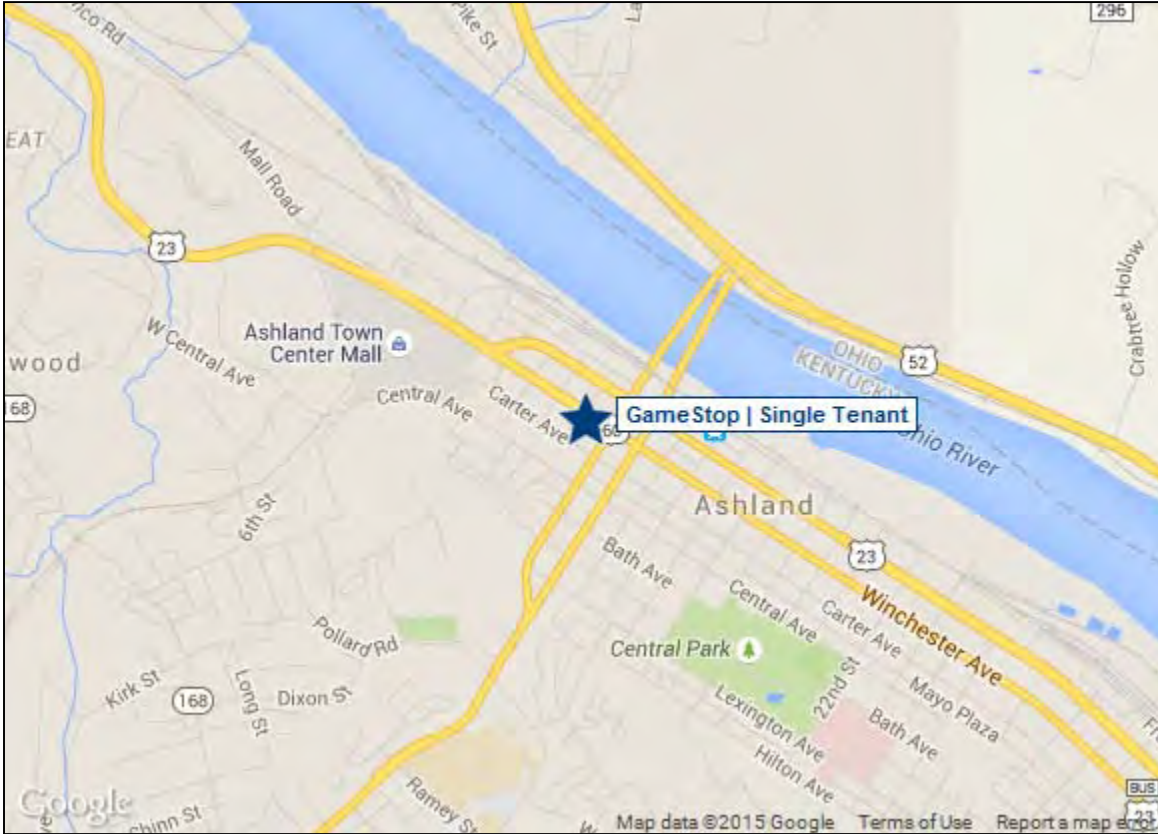
| | |
|----------------------|------------------------|
| Number of Stories | 1 |
| Year Built | 2005 |
| Rentable Square Feet | 2,700 |
| Lot Size | 0.28 Acres |
| Type of Ownership | Fee Simple |
| Parking | 15 Free Surface Spaces |
| Topography | Flat, Graded |

Construction

| | |
|------------|---------------------|
| Foundation | Concrete |
| Framing | Wood Frame |
| Roof | Built Up Single-Ply |

PROPERTY PHOTOS

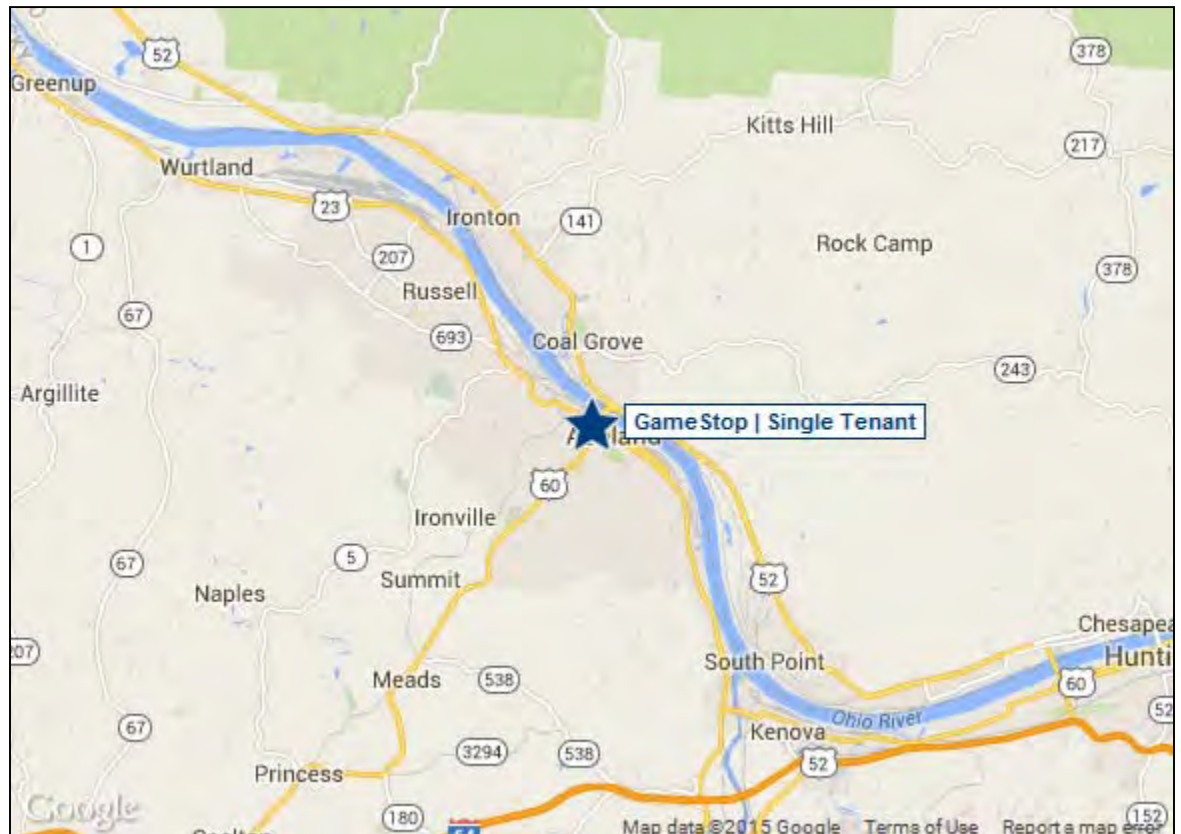




Local Map

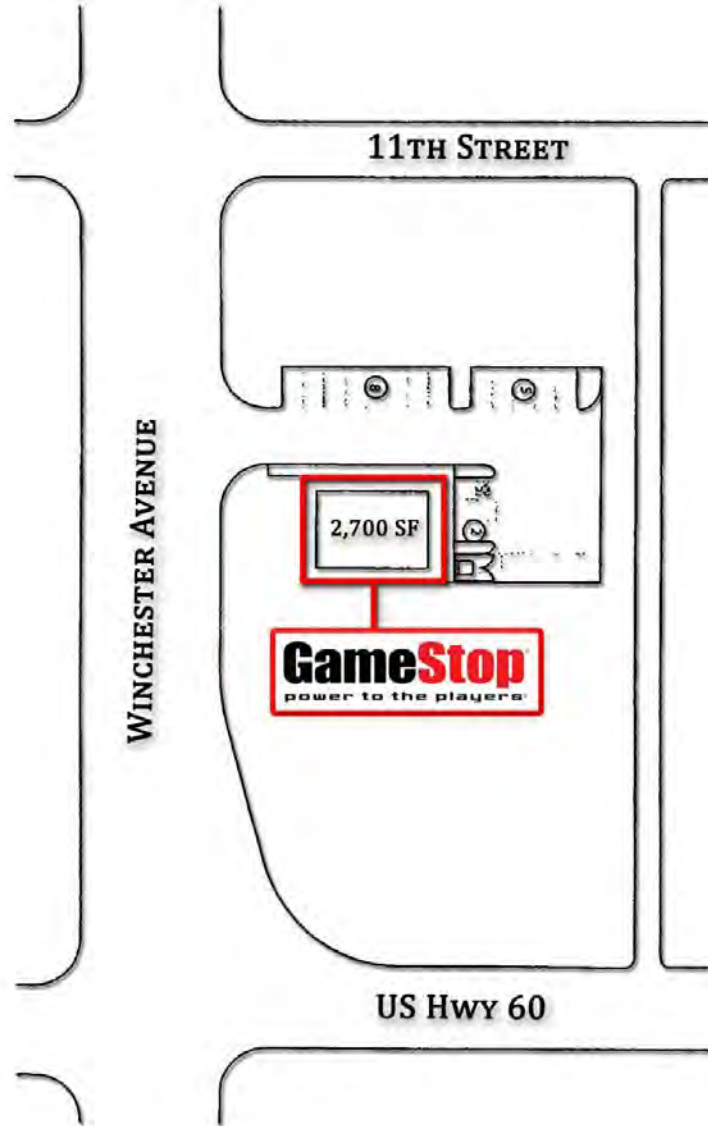


Regional Map



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SITE PLAN



AERIAL PHOTO



GameStop | Single Tenant

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DEMOGRAPHIC REPORT

| | 1 Mile | 3 Miles | 5 Miles |
|------------------------------------|----------|----------|----------|
| 2000 Population | 4,478 | 34,451 | 62,409 |
| 2010 Population | 4,320 | 33,935 | 62,051 |
| 2014 Population | 4,291 | 33,708 | 61,802 |
| 2019 Population | 4,223 | 33,286 | 61,411 |
| 2000 Households | 1,991 | 14,732 | 25,701 |
| 2010 Households | 1,912 | 14,441 | 25,431 |
| 2014 Households | 1,895 | 14,327 | 25,314 |
| 2019 Households | 1,866 | 14,220 | 25,302 |
| 2014 Average Household Size | 2.18 | 2.31 | 2.35 |
| 2014 Daytime Population | 10,663 | 22,893 | 31,738 |
| 2000 Owner Occupied Housing Units | 45.16% | 61.37% | 62.94% |
| 2000 Renter Occupied Housing Units | 42.68% | 29.00% | 27.62% |
| 2000 Vacant | 12.15% | 9.64% | 9.44% |
| 2014 Owner Occupied Housing Units | 47.72% | 64.90% | 66.62% |
| 2014 Renter Occupied Housing Units | 52.28% | 35.10% | 33.38% |
| 2014 Vacant | 12.87% | 10.60% | 10.41% |
| 2019 Owner Occupied Housing Units | 47.44% | 64.66% | 66.45% |
| 2019 Renter Occupied Housing Units | 52.56% | 35.34% | 33.55% |
| 2019 Vacant | 12.98% | 10.77% | 10.50% |
| \$ 0 - \$14,999 | 34.8% | 20.9% | 19.8% |
| \$ 15,000 - \$24,999 | 12.0% | 14.8% | 15.6% |
| \$ 25,000 - \$34,999 | 13.3% | 12.6% | 11.9% |
| \$ 35,000 - \$49,999 | 14.3% | 15.2% | 15.1% |
| \$ 50,000 - \$74,999 | 10.7% | 17.1% | 17.0% |
| \$ 75,000 - \$99,999 | 5.6% | 8.0% | 8.9% |
| \$100,000 - \$124,999 | 3.7% | 5.5% | 5.4% |
| \$125,000 - \$149,999 | 0.9% | 2.0% | 2.4% |
| \$150,000 - \$199,999 | 3.0% | 2.0% | 1.9% |
| \$200,000 - \$249,999 | 0.7% | 0.7% | 0.7% |
| \$250,000 + | 1.1% | 1.3% | 1.2% |
| 2014 Median Household Income | \$26,970 | \$36,657 | \$37,711 |
| 2014 Per Capita Income | \$19,786 | \$22,592 | \$22,320 |
| 2014 Average Household Income | \$44,332 | \$52,669 | \$53,432 |

Demographic data © 2012 by Experian.

SUMMARY REPORT

Geography: 5 miles**Population**

In 2014, the population in your selected geography is 61,801. The population has changed by 0.97% since 2000. It is estimated that the population in your area will be 61,411 five years from now, which represents a change of 0.63% from the current year. The current population is 49.03% male and 50.96% female. The median age of the population in your area is 41.7, compare this to the Entire US average which is 37.3. The population density in your area is 785.98 people per square mile.

Households

There are currently 25,313 households in your selected geography. The number of households has changed by -1.50% since 2000. It is estimated that the number of households in your area will be 25,301 five years from now, which represents a change of 0.04% from the current year. The average household size in your area is 2.35 persons.

Income

In 2014, the median household income for your selected geography is \$37,710, compare this to the Entire US average which is currently \$51,972. The median household income for your area has changed by 23.82% since 2000. It is estimated that the median household income in your area will be \$45,546 five years from now, which represents a change of 20.77% from the current year.

The current year per capita income in your area is \$22,320, compare this to the Entire US average, which is \$28,599. The current year average household income in your area is \$53,432, compare this to the Entire US average which is \$74,533.

Race & Ethnicity

The current year racial makeup of your selected area is as follows: 93.60% White, 3.40% Black, 0.01% Native American and 0.55% Asian/Pacific Islander. Compare these to Entire US averages which are: 71.60% White, 12.70% Black, 0.18% Native American and 5.02% Asian/Pacific Islander.

People of Hispanic origin are counted independently of race. People of Hispanic origin make up 1.43% of the current year population in your selected area. Compare this to the Entire US average of 17.13%.

Housing

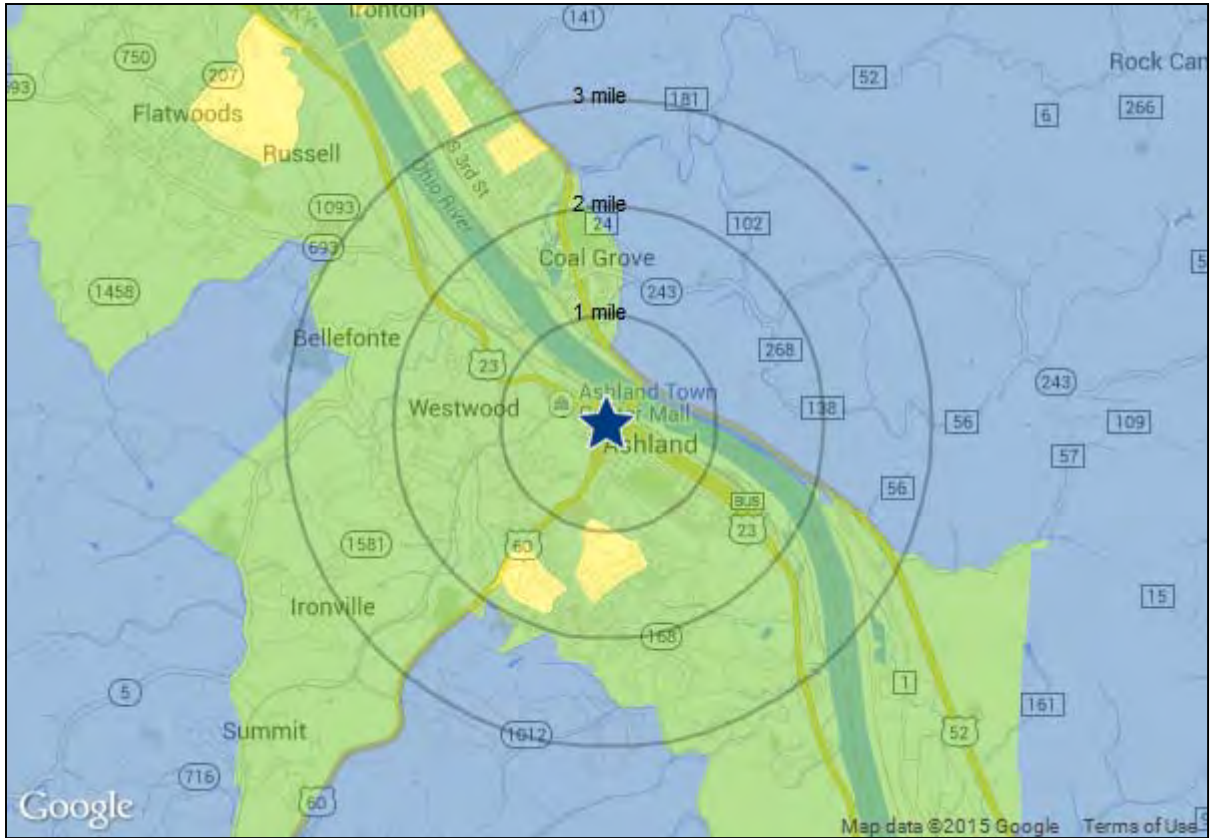
In 2000, there were 17,863 owner occupied housing units in your area and there were 7,837 renter occupied housing units in your area. The median rent at the time was \$317.

Employment

In 2014, there are 31,738 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 57.39% of employees are employed in white-collar occupations in this geography, and 42.51% are employed in blue-collar occupations. In 2014, unemployment in this area is 7.36%. In 2000, the average time traveled to work was 20.1 minutes.

Demographic data © 2012 by Experian.

POPULATION DENSITY



Demographic data © 2012 by Experian.

Population Density

| Theme | Low | High |
|---------------|-----------|---------|
| Low | less than | 55 |
| Below Average | 55 | 475 |
| Average | 475 | 4100 |
| Above Average | 4100 | 35000 |
| High | 35000 | or more |

Number of people living in a given area per square mile.

EMPLOYMENT DENSITY



Demographic data © 2012 by Experian.

Employment Density

| Theme | Low | High |
|---------------|-------------|---------|
| Low | less than 9 | 9 |
| Below Average | 9 | 96 |
| Average | 96 | 1025 |
| Above Average | 1025 | 10875 |
| High | 10875 | or more |

The number of people employed in a given area per square mile.

AVERAGE HOUSEHOLD INCOME



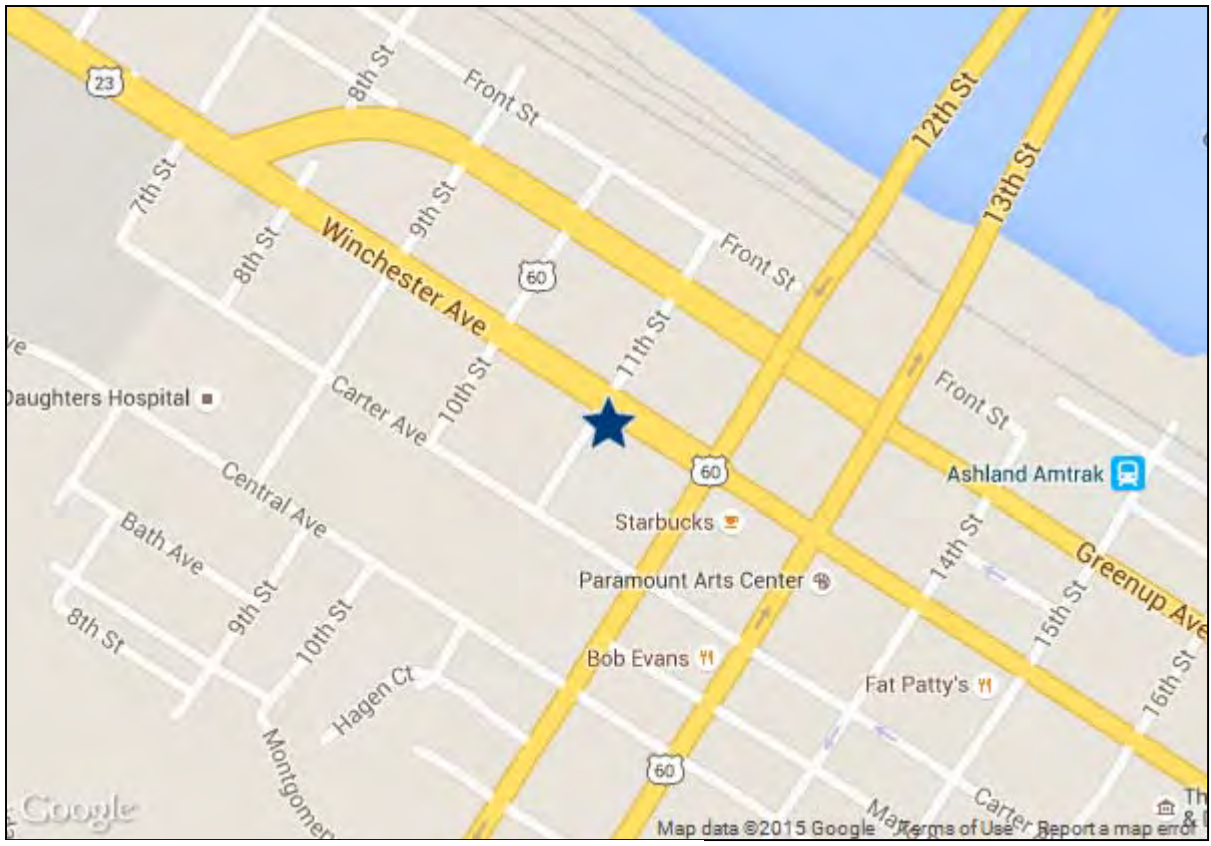
Demographic data © 2012 by Experian.

Average Household Income

| Theme | Low | High |
|---------------|-----------|-----------|
| Low | less than | \$29,500 |
| Below Average | \$29,500 | \$48,500 |
| Average | \$48,500 | \$80,000 |
| Above Average | \$80,000 | \$132,500 |
| High | \$132,500 | or more |

Average income of all the people 15 years and older occupying a single housing unit.

TRAFFIC COUNTS



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Two-way, average daily traffic volumes.

* Traffic Count Estimate



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ASHLAND, KY

OFFERING MEMORANDUM

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