

Sandstone Village

42 South River Road
St. George, Utah



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Sandstone Village

42 South River Road | St. George, Utah

Overview: Investment Summary

Investment Overview

The Sandstone Village is a well located Retail Power Center in the rapidly growing St. George, Utah market.

Anchor Tenant



Price

\$16,892,000

CAP Rate

6.33%

Building Size

88,198 SF

Existing Debt

Bank of America

Loan Balance	\$10,400,000
Interest Rate	5.471%
Amortization	25 years
Term	10 years
Montly Debt Service	\$58,676

Land Size

6.82 Acres

Year Built

2005

Area Information

Washington County is known for warm winter weather, snowbirds, and beautiful red rock scenery. It has been known as Utah's Dixie since pioneers settled here in the 1850's. Championship golf, tennis, walking paths, biking trails, hiking, warm, snow-free winters and year long low humidity all make life attractive here.

In the mid 1960's the county's population was about 10,000; today, it is over 100,000. In fact, our population has nearly doubled each of the last three decades!

The county is home to the world-renowned Snow Canyon State Park and the Tuacahn Center with its 1,200 seat outdoor amphitheater and the magnificent Zion National Park. The county has the benefit of a large, ultra-modern convention center, the Rosenbruch World Wildlife Museum, and the 1200 seat Cox Performing Arts Theatre that is on the Dixie State College campus.

Source: Washington County, Utah

Sandstone Village

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Overview: Area Information

In a recent report published by USA Today, Utah is the 5th fastest growing state and is expected to be so through at least 2010,. Washington County continues to be one of Utah's fastest growing counties. In recent figures relating to net in-migration to Utah, Washington County accounts for over 50% of all net in-migration to the entire state. With this said no one expects to see any slowdown of population growth or demand for commercial or residential building in all of southern Utah. Washington County has been discovered.

A highly productive, dependable work force with diverse skills and cultural backgrounds, is one reason why the business climate is great in Washington County.

The greater St. George, Utah area features a mild, snow-free climate; fiber optic communications; interstate transportation; proactive, business-friendly government; and a state college, all in a recreational paradise offering some of the most beautiful scenery in the world. Washington County's population is over 125,000 and growing with about 1,000 new residents each month.

Lifestyle, low cost of living and doing business, infrastructure, work force and climate put all the elements in place for a resilient economic future for existing and new business in the St. George area. Washington County has enjoyed a very diverse, ever growing, and robust economy since the mid 1960's.

The Washington County, Utah Economic Council is an active participant in support of value-added businesses. The county continues to see increases in employment from manufacturers, back offices, centers, distribution facilities and high-tech companies expanding or relocating to the area.

Source: St. George Chamber of Commerce





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42 South River Road | St. George, Utah

Overview: Photographs



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Overview: Photographs



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Overview: Photographs



Sandstone Village

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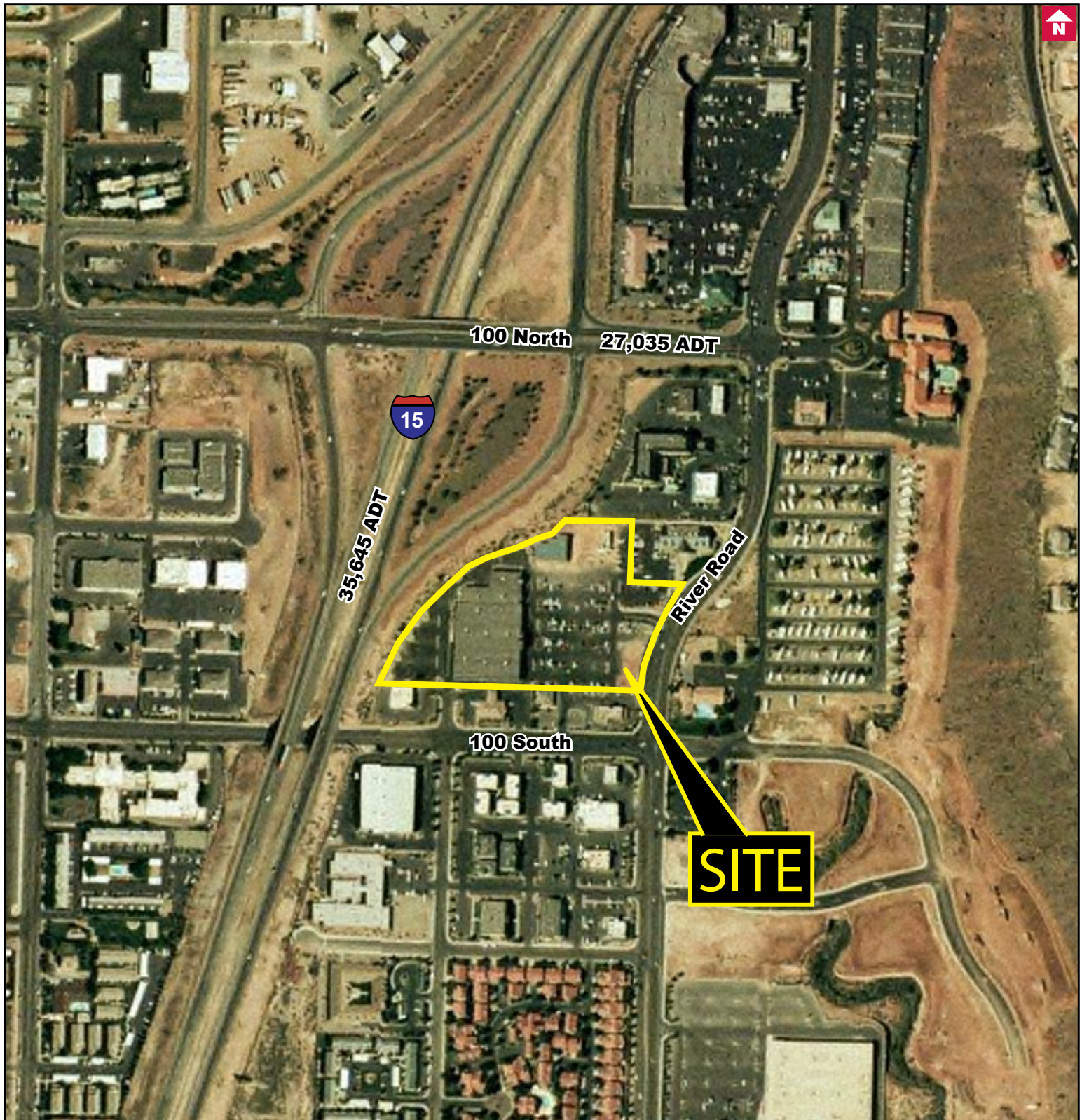
Overview: Aerial Photographs



Sandstone Village

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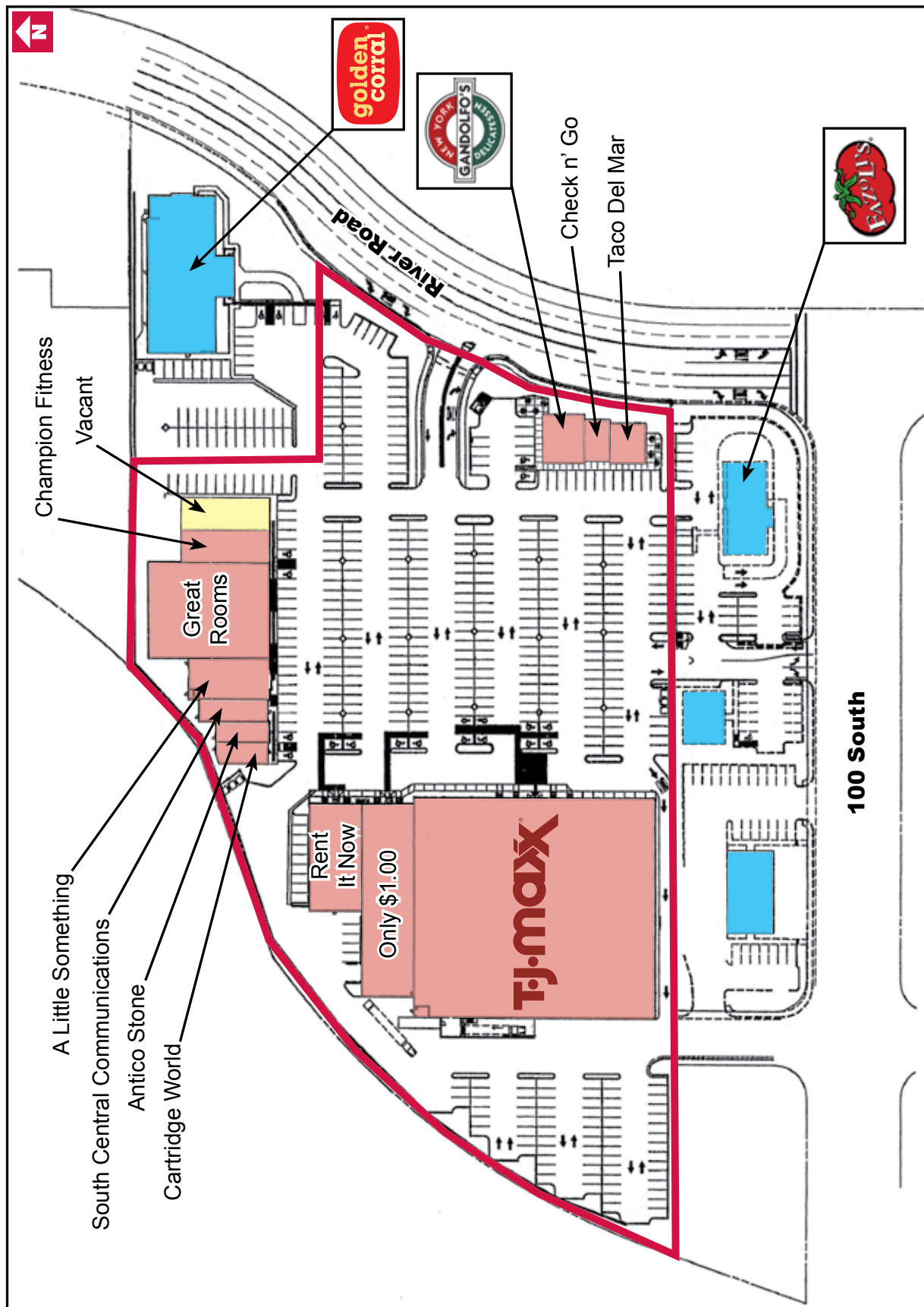
Overview: Aerial Photographs



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Overview: Site Plan



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Financial Overview: Summary

Financial

Price	\$16,892,000
Down Payment	\$6,492,000
Current CAP	6.33%

Cost per Gross Square Foot	\$191.52
Annual Rent per Square Foot	\$13.14

Loan Information

First Loan Amount		\$10,400,00
• Interest Rate	5.471%	
• Amortization	25	
• Term	10	
Monthly Payment		\$58,676

Return

Scheduled Gross Income	\$1,159,119	
Plus Overage	—	
Plus Recapture	—	
Gross Operating Income	\$1,159,119	
Less Vacancy	\$34,774	3.00%
Less Management Reserves	\$55,081	5.00%
Net Operating Income	\$1,069,264	
Loan Payments	\$704,112	
Pre Tax Cash Flow	\$365,152	5.62%
Plus Principal Reduction	\$138,357	
Total Return Before Taxes	\$503,509	7.76%

Building

Year Built	2005
Building Square Feet	88,198
Land Parcel (Acres)	6.82

Tenants

- TJ Maxx
- Only \$1,00
- Rent It Now
- Cartridge World
- Antico Stone
- South Central Communications
- A Little Something
- Great Rooms
- Champion Fitness
- Vacant
- Gandolfo's
- Check n' Go
- Taco Del Mar

Expenses

Taxes		NNN
Insurance		NNN
Maintenance		NNN
Utilities		NNN
Management	3.0%	\$33,049
Reserves	2.0%	\$22,032
Total Expenses		\$55,081
Per Rentable Square Foot		\$0.62



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Financial Overview: Rent Roll

Tenant	SF	LED	Rate	Monthly Payment	Annual Payment	Term/Options
TJ Maxx	47,906	5/31/2014	\$10.00	\$40,056	\$480,670	10 Year/4 5 Year Options
Only \$1.00	9,250	1/31/2012	\$12.00	\$9,250	\$111,000	7 Year/2 5 Year Options
Rent It Now	5,000	9/01/2014	\$15.00	\$6,250	\$75,000	10 Year/2 5 Year Options
Cartridge World	1,001	6/30/2010	\$21.00	\$1,750	\$21,000	5 Year/1 5 Year Option
Antico Stone	1,003	10/31/2008	\$21.00	\$1,755	\$21,063	3 Year/1 3 Year Option
South Central Communications	1,430	6/30/2010	\$23.00	\$2,741	\$32,890	5 Year/2 5 Year Options
A Little Something	2,988	10/31/2010	\$17.00	\$4,233	\$50,796	5 Year/1 5 Year Option
Great Rooms	10,500	11/30/2012	\$15.00	\$13,125	\$157,500	5 Year/1 5 Year Option
Champion Fitness	2,520	10/31/2010	\$19.84	\$4,167	\$50,000	7 Year/2 5 Year Options
Vacant	2,500	TBD	\$23.00	\$4,792	\$57,500	5 Year/1 5 Year Option
Gandolfo's	1,800	8/14/2012	\$22.00	\$3,300	\$39,600	7 Year/2 5 Year Options
Check n' Go	1,000	7/22/2010	\$27.00	\$2,259	\$27,000	5 Year/2 5 Year Options
Taco Del Mar	1,300	9/26/2015	\$27.00	\$2,925	\$35,100	10 Year/2 5 Year Options
Totals	88,198		\$13.14	\$96,603	\$1,159,119	

Option Details

TJ Maxx	1st Term: 11-15: \$552,771; 2nd Term: 16-20: \$576,804; 3rd Term: 21-25: \$600,837; 4th Term: 26-30: \$624,871	Years 1-5: \$480,670; 5-10: \$504,704;
Only \$1.00	Years 1-3: \$111,000; 4-7: \$119,880; 1st Term: 8-12: \$131,868; 2nd Term: 13-17: \$145,056	
Rent It Now	Years 1-3: \$75,000; 4-7: \$80,625; 1st Term: 11-15: \$95,340; 2nd Term: 16-20: \$104,875	
Cartridge World	Years 1-3: \$21,000; 4-5: \$22,000; 1st Term: 8-10: \$24,000	
Antico Stone		—
South Central Communications	1st Term: Years 6-10: \$36,179; 2nd: 11-15: \$39,796	
A Little Something	1st Term: Years 1-5: \$52,827	
Great Rooms	1st Term: Years 8-12: \$187,110; 2nd: 13-17: \$205,821	
Champion Fitness		—
Vacant		—
Gandolfo's	Years 1-3: \$39,600; 4-7: \$43,560; 1st Term: 8-12: \$47,916; 2nd: 13-17: \$452,707	
Check n' Go	1st Term: Years 6-10: \$29,700; 2nd: 11-15: \$32,670	
Taco Del Mar	Years 3-4: \$36,504; 5-6: \$37,964; 7-8: \$39,483; 9-10: \$41,062;	
	1st Term: 11-12: \$42,704; 13-14: \$44,412; 15-16: \$46,189; 17-18: \$48,036; 19-20: \$49,958	

Tenant

TJ Maxx

Square Feet

47,906

Term

Ten Year Lease with Four (4) Five Year Options

Termination Date

May 31, 2014

Primary Term

Years	End Date	Rent	Rent/SF
1–5	May 2009	\$480,670	\$10.00
6–10	May 2014	\$504,704	\$10.50
Option One 11–15	May 2019	\$552,771	\$11.50
Option Two 16–20	May 2024	\$576,804	\$12.00
Option Three 21–25	May 2029	\$600,837	\$12.50
Option Four 26–30	May 2034	\$624,871	\$13.00

Tenant Expenses

Prorata Share of CAM, Taxes, and Insurance. All utilities and HVAC.

Landlord Expenses

Roof and structure.

Percentage Rent

“Two Percent (2.0%) of the gross sales over and above the minimum rent payable for such lease year.”

Tenant

Only \$1.00

Square Feet

9,250

Term

Seven Year Lease with Two (2) Five Year Options

Termination Date

January 31, 2012

Primary Term

Years	End Date	Rent	Rent/SF
1–3	Jan 2008	\$111,000	\$12.00
4–7	Jan 2012	\$119,880	\$12.96
Option One 8–12	Jan 2015	\$131,668	\$14.23
Option Two 13–17	Jan 2019	\$145,056	\$15.68

Tenant Expenses

Prorata Share of CAM, Taxes, and Insurance. All utilities and HVAC.

Landlord Expenses

Roof and structure.

Sandstone Village

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Financial Overview: Lease Abstracts

Tenant

Rent It Now

Square Feet

5,000

Term

Ten Year Lease with Two (2) Five Year Options

Termination Date

September 1, 2014

Primary Term

Years	End Date	Rent	Rent/SF
1–5	Sep 2009	\$75,000	\$15.00
6–10	Sep 2014	\$80,625	\$16.13
Option One 11–15	Sep 2019	\$95,340	\$19.07
Option Two 16–20	Sep 2024	\$104,875	\$20.98

Tenant Expenses

Prorata Share of CAM, Taxes, and Insurance. All utilities and HVAC.

Landlord Expenses

Roof and structure.

Tenant

Cartridge World

Square Feet

1,001

Term

Five Year Lease with One (1) Five Year Option

Termination Date

June 30, 2010

Primary Term

Years	End Date	Rent	Rent/SF
1–3	Jun 2008	\$21,000	\$21.00
4–5	Jun 2010	\$22,000	\$22.00
Option One 6–10	Jun 2015	\$24,000	\$24.00

Tenant Expenses

Prorata Share of CAM, Taxes, and Insurance. All utilities and HVAC.

Landlord Expenses

Roof and structure.

Tenant**Antico Stone****Square Feet**

1,003

Term

Three Year Lease with One (1) Three Year Option

Termination Date

October 31, 2008

Primary Term

Years	End Date	Rent	Rent/SF
1-3	Oct 2008	\$21,063	\$21.00

Tenant Expenses

Prorata Share of CAM, Taxes, and Insurance. All utilities and HVAC.

Landlord Expenses

Roof and structure.

Tenant**South Central Communications****Square Feet**

1,430

Term

Five Year Lease with Two (2) Five Year Options

Termination Date

June 30, 2010

**Primary Term
Option One**

Years	End Date	Rent	Rent/SF
1-5	Jun 2010	\$32,890	\$23.00
6-10	Jun 2015	\$36,179	\$25.30
11-15	Jun 2020	\$39,796	\$27.83

Tenant Expenses

Prorata Share of CAM, Taxes, and Insurance. All utilities and HVAC.

Landlord Expenses

Roof and structure.

Tenant

A Little Something

Square Feet

2,988

Term

Five Year Lease with One (1) Five Year Option

Termination Date

October 31, 2010

Primary Term Option One

Years	End Date	Rent	Rent/SF
1-5	Oct 2010	\$50,796	\$17.00
6-10	Oct 2015	\$52,827	\$17.68

Tenant Expenses

Prorata Share of CAM, Taxes, and Insurance. All utilities and HVAC.

Landlord Expenses

Roof and structure.

Tenant

Great Rooms

Square Feet

10,500

Term

Seven Year Lease with Two (2) Five Year Options

Termination Date

November 30, 2012

Primary Term Option One

Years	End Date	Rent	Rent/SF
1-3	Nov 2008	\$157,500	\$15.00
4-7	Nov 2012	\$170,100	\$16.20
8-12	Nov 2015	\$187,110	\$17.82
13-17	Nov 2019	\$205,821	\$19.60

Tenant Expenses

Prorata Share of CAM, Taxes, and Insurance. All utilities and HVAC.

Landlord Expenses

Roof and structure.

Tenant

Champion Fitness

Square Feet

2,520

Term

Five Year Lease with One (1) Five Year Option

Termination Date

October 31, 2010

Primary Term

Years	End Date	Rent	Rent/SF
1-5	Oct 2010	\$50,000	\$19.84

Tenant Expenses

Prorata Share of CAM, Taxes, and Insurance. All utilities and HVAC.

Landlord Expenses

Roof and structure.

Tenant

Vacant

Square Feet

2,500

Term

—

Termination Date

—

Primary Term

Years	End Date	Rent	Rent/SF
—	—	—	—

Tenant Expenses

Prorata Share of CAM, Taxes, and Insurance. All utilities and HVAC.

Landlord Expenses

Roof and structure.

Tenant**Gandolfo's****Square Feet**

1,800

Term

Seven Year Lease with Two (2) Five Year Options

Termination Date

August 14, 2012

Primary Term

Years	End Date	Rent	Rent/SF
1-3	Aug 2008	\$39,600	\$22.00
4-7	Aug 2012	\$43,560	\$24.20
8-12	Aug 2015	\$47,916	\$26.62
13-17	Aug 2019	\$52,707	\$29.28

Option One**Tenant Expenses**

Prorata Share of CAM, Taxes, and Insurance. All utilities and HVAC.

Landlord Expenses

Roof and structure.

Tenant**Check n' Go****Square Feet**

1,000

Term

Five Year Lease with Two (2) Five Year Options

Termination Date

July 22, 2010

Primary Term

Years	End Date	Rent	Rent/SF
1-5	Jul 2010	\$27,000	\$27.00
6-10	Jul 2015	\$29,700	\$29.70
11-15	Jul 2020	\$32,670	\$32.67

Option One**Tenant Expenses**

Prorata Share of CAM, Taxes, and Insurance. All utilities and HVAC.

Landlord Expenses

Roof and structure.

Tenant	Taco Del Mar			
Square Feet	1,300			
Term	Ten Year Lease with Two (2) Five Year Options			
Termination Date	September 15, 2015			
Primary Term	Years	End Date	Rent	Rent/SF
	1–2	Sep 2007	\$35,100	\$27.00
	3–4	Sep 2009	\$36,504	\$28.08
	5–6	Sep 2011	\$37,964	\$29.20
	7–8	Sep 2013	\$39,483	\$30.37
Option One	9–10	Sep 2015	\$41,062	\$31.59
	11–12	Sep 2015	\$42,704	\$32.85
	13–14	Sep 2019	\$44,412	\$34.16
Option Two	15–16	Sep 2021	\$46,189	\$35.53
	17–18	Sep 2023	\$48,036	\$36.95
	19–20	Sep 2025	\$49,958	\$38.43
Tenant Expenses	Prorata Share of CAM, Taxes, and Insurance. All utilities and HVAC.			
Landlord Expenses	Roof and structure.			

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Demographics

Population

	One Mile	Three Miles	Five Miles
2010 Estimated Population	9,023	44,677	80,496
2005 Estimated Population	7,799	38,389	69,024
2000 Census Population	6,473	31,686	56,829
1990 Census Population	4,000	17,526	31,463
1990 to 2000 Growth	61.80%	80.80%	80.60%
2005 to 2010 Estimated Growth	15.70%	16.40%	16.60%

Households

	One Mile	Three Miles	Five Miles
2010 Estimated Households	3,643	18,185	34,143
2005 Estimated Households	3,088	15,547	29,052
2005 % Owner Occupied	51.10%	56.90%	58.10%
2005 % Renter Occupied	38.60%	31.60%	26.80%
2000 Census Households	2,504	12,769	23,705
1990 to 2000 Growth	75.70%	84.80%	90.20%
2005 to 2010 Estimated Growth	20.20%	19.40%	19.80%

Income

	One Mile	Three Miles	Five Miles
2010 Estimated Average Household Income	\$51,814	\$59,022	\$60,251
2005 Estimated Average Household Income	\$46,871	\$53,029	\$53,914
2000 Census Average Household Income	\$41,551	\$45,317	\$46,907
1990 Census Average Household Income	\$25,620	\$27,938	\$30,414

Employment & Establishments

	One Mile	Three Miles	Five Miles
2005 Estimated Employee Population	6,330	25,352	30,536
2005 Estimated Total Establishments	663	2,732	3,464

2005 Estimated Race

	One Mile	Three Miles	Five Miles
White	88.60%	92.40%	92.80%
American Indian/Eskimo	2.40%	1.40%	1.40%
Black	0.80%	0.40%	0.40%
Asian/Pacific Islander	0.70%	0.60%	0.50%
Other Race	3.80%	2.80%	2.70%
Multi-Race	2.30%	1.70%	1.70%

	One Mile	Three Miles	Five Miles
Hispanic Ethnicity	11.40%	8.00%	7.50%
Not of Hispanic Ethnicity	88.60%	92.00%	92.50%

2005 Estimated Educational Attainment

	One Mile	Three Miles	Five Miles
Total Population Age 25+	4,264	22,294	40,710
High School Graduate	26.90%	25.80%	26.20%
Associates Degree	9.20%	9.20%	9.10%
Bachelors Degree	12.20%	15.00%	14.50%
Graduate Degree	8.30%	7.80%	8.20%
Some College, No Degree	28.30%	28.90%	30.00%



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Washington County is one of the fastest growing areas in Utah and the rest of the country. According to the latest published U.S. Census Bureau publication, St. George, Utah is ranked as the #1 Metropolitan Statistical Area in the United States for population growth from 1990 to 2000.

St. George is located in the southwest corner of Utah just off Interstate 15. St. George, the county seat, is also the county's largest city with nearly 70,000 residents. Washington County population is estimated to be over 125,000 and growing with about 1000 new residents each month.

The St. George/Washington County area is nestled in a picturesque valley surrounded by impressive sandstone cliffs. The backdrop is breathtaking with blue skies, clean air, and a friendly business environment which attracts over two million international visitors annually.

Washington County is endowed with mild, low humidity winters with over 300 sunny days per year. The desert climate, elevation 2,760 feet, promotes year round recreation and leisure activities, which includes ten championship golf courses. Washington County is one of the fastest growing areas in Utah and is expected to remain so well into the 21st century.

This scenic area not only provides easy access to major markets of the western United States, it has become a destination point for countless people and businesses looking for a better way of life and more fruitful atmosphere for growth and prosperity.

Here, with our mild climate, beautiful scenic areas, a progressive business atmosphere, an educated and work-orientated workforce, plus great "quality of life" incentives. The St. George/Washington County area can fulfill your business needs. In this information age, it is possible to live in areas free from heavy traffic, crime and crowded conditions.

Source: St. George Chamber of Commerce