

FRANK THEATRES

NET LEASE INVESTMENT OFFERING



Spring Lane Cinemas – Sanford, NC



Creekside Cinemas – Mount Airy, NC



Coastal Cinemas – Shallotte, NC

Frank Theatres Three Property Portfolio
Available on an Individual or Portfolio Basis



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**DISCLAIMER
STATEMENT:**

The information contained in the following Offering Memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from The Boulder Group and should not be made available to any other person or entity without the written consent of The Boulder Group.

This Offering Memorandum has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject properties. The information contained herein is not a substitute for a thorough due diligence investigation. The Boulder Group has not made any investigation, and makes no warranty or representation.

The information contained in this Offering Memorandum has been obtained from sources we believe to be reliable; however, The Boulder Group has not verified, and will not verify, any of the information contained herein, nor has The Boulder Group conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

A photograph of a Spring Lane Cinemas building with a large sign above the entrance.

PORTFOLIO SUMMARY:

The Boulder Group is pleased to exclusively market for sale a three property single tenant net lease portfolio consisting of long term leased movie theatres. The three properties are subject to long term leases with Frank Theatres with over 15 years remaining. The absolute triple net lease features annual rental escalations and no landlord responsibilities. Each of the properties are located in strategic retail locations with minimal competition in the surrounding area. The portfolio is being offered free and clear.

The portfolio consists of the Creekside Stadium 10 in Mount Airy, NC, the Spring Lane Stadium 10 in Sanford, NC and the Coastal Stadium 10 in Shallotte, NC.

Celebrating 100 years of bringing families together, the Frank Family Entertainment Group was founded in 1906 by Samuel Frank of Philadelphia, PA. Frank Theatres currently owns and operates 25 theatres and 256 screens in New Jersey, New York Pennsylvania, West Virginia, Tennessee, North Carolina, South Carolina, Georgia, and Florida.

This portfolio offers an investor the rare opportunity to acquire three cinema properties that are positioned in the Carolinas with a long term triple net lease.

A photograph of a Coastal Cinemas building with a large sign above the entrance.

PORTFOLIO HIGHLIGHTS:

- Long term leases with over 15 years remaining
- Absolute triple net lease with no landlord responsibilities
- Annual rental escalations (lesser of 1.75% or 1.25X CPI)
- Strategic retail locations in strong corridors with minimal to no competition
- Free and clear of any debt
- All three of the movie theatre properties have long operating histories at their locations
- Tenant is an experienced operator of entertainment venues and has been in business for over 100 years
- Lease is personally guaranteed by the owners of Frank's

**PORTFOLIO
OVERVIEW:**

Price:	\$16,941,172
Cap Rate:	8.00%
Net Operating Income:	\$1,355,294

**LIST OF
PROPERTIES:**

Tenant	City	State	Building Size	NOI 2017	Price	Lease Expiration
Spring Lane Cinemas	Sanford	NC	34,724 SF	\$515,393	\$6,442,416	January 31, 2033
Coastal Cinemas	Shallotte	NC	34,888 SF	\$439,039	\$5,487,988	January 31, 2033
Creekside Cinemas	Mount Airy	NC	34,437 SF	\$400,861	\$5,010,768	January 31, 2033
Total:			104,049 SF	\$1,355,294	\$16,941,172	

Available on an Individual or Portfolio Basis

TENANT PROFILE:

Celebrating 100 years of bringing families together, the Frank Family Entertainment Group was founded in 1906 by Samuel Frank of Philadelphia, PA. From its humble beginnings in the movie theatre business to its current reputation as both a pioneer and innovator in entertainment, hospitality and real estate, the company has consistently built a track record of success. The company has owned, operated, developed, and managed over 150 entertainment venues including nickelodeons, motion picture theatres, arcades, restaurants, nightclubs, bowling centers, game centers, and family entertainment centers. Frank Theatres, a division of the parent company and incorporated in 1921, introduces talkie films to the Philadelphia area, built the first Twin theatre in the United States (1966) and developed one of New Jersey's earliest Mega-Plex Cinemas, the Towne 16 Stadium Cinema, which also reintroduced stadium seating back in 1986. The company also develops, owns, and operates numerous shopping centers, retail and residential properties, restaurants, nightclubs, hotels, and condominium developments. Headquarters are located in Jupiter, FL.

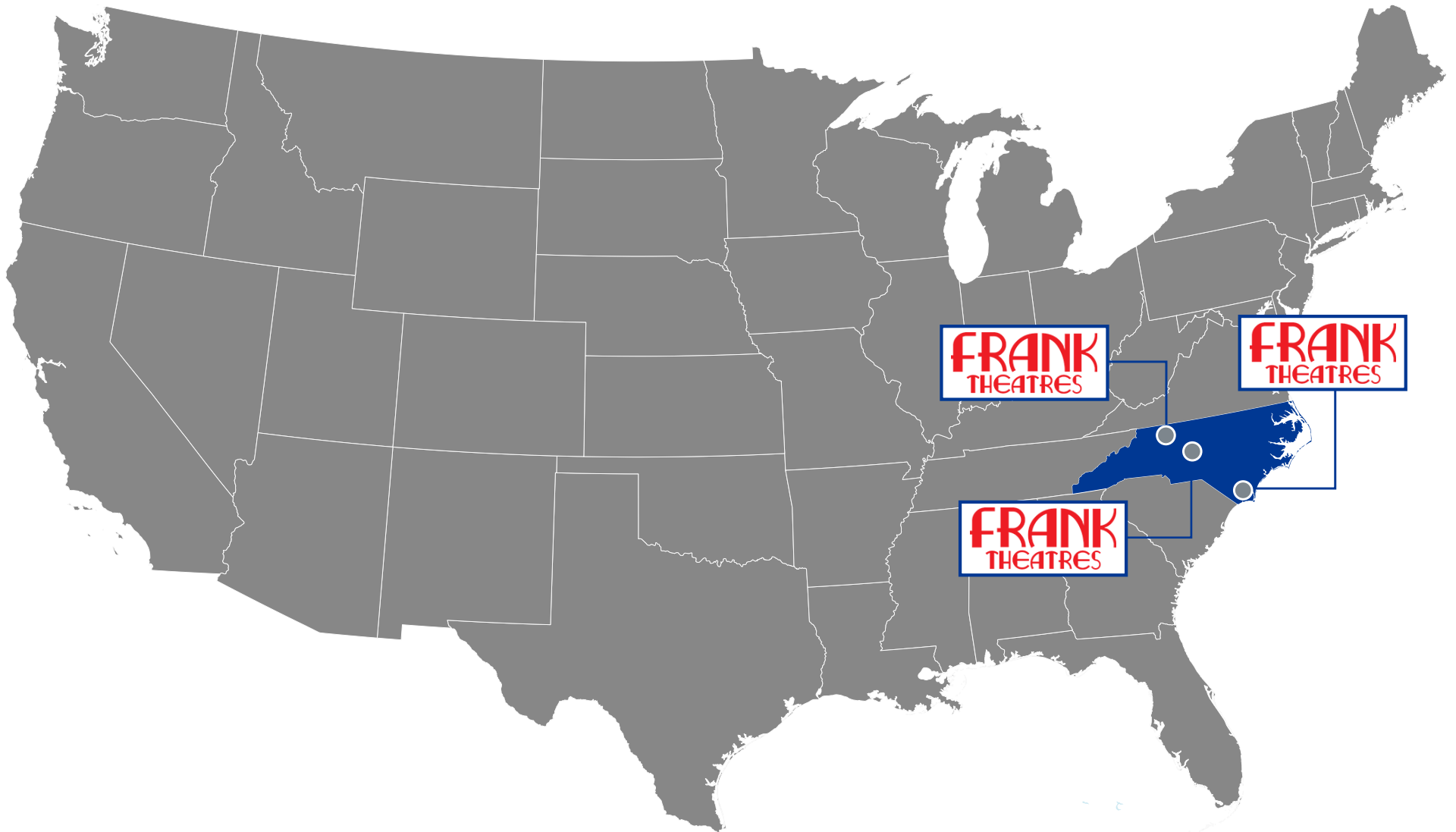
Frank Theatres currently owns and operates 25 theatres and 256 screens in New Jersey, New York Pennsylvania, West Virginia, Tennessee, North Carolina, South Carolina, Georgia, and Florida. Today, guided by 3rd generation leadership and a seasoned management team, Frank Theatres continues their growth with upcoming projects to include sites in Greenville SC., Rock Hill, SC., Holly Springs NC., Ranson, WV., Willow Grove, PA., and Princeton, NJ.

The lease is personally guaranteed by the owners of Frank's Family Entertainment Group.

Website:	http://franktheatres.com/
Number of Movie Theatres:	25
Number of States:	9
Year Founded:	1909
Headquarters:	Jupiter, FL



PORTFOLIO MAP:





SPRING LANE CINEMAS – SANFORD, NC



EXECUTIVE SUMMARY:

The 34,724 square foot Spring Lane Cinema building was constructed in 2004 and is positioned in a regional retail destination. The movie theatre property is benefitted by its proximity to the Claude E Pope Memorial Highway (US Route 1) which experiences traffic volumes in excess of 29,000 vehicles per day. US Route 1 is the primary north-south thoroughfare in the area and connects Sanford to Raleigh. Raleigh is located approximately 40 miles northeast of the property. Retailers in the surrounding trade area include JCPenney, Belk, Lowes Foods, OfficeMax, PetSmart and Rite Aid. There are approximately 25,000 people living within a three mile radius of the property.

Spring Lake Cinema is a 10 screen stadium seating cinema that is the only theatre serving the city of Sanford.

PROPERTY HIGHLIGHTS:

- Long term lease with over 15 years remaining
- Annual rental escalations
- Absolute triple net lease with no landlord responsibilities
- Positioned within a retail destination that features JCPenney, Belk, Lowes Foods, OfficeMax, PetSmart and Rite Aid
- Located along Claude E Pope Memorial Highway (US Route 1) which features traffic counts of 29,000 VPD
- Approximately 25,000 people living within a three mile radius of the property
- Only movie theatre serving the Sanford community

SITE PLAN:



DEMOGRAPHIC REPORT:

Population	3 Mile	5 Mile	7 Mile
Total Population	24,089	34,927	46,544
Total Households	9,161	13,286	17,730

Income	3 Mile	5 Mile	7 Mile
Median Household Income	\$40,508	\$40,534	\$42,187
Average Household Income	\$57,172	\$56,561	\$56,926

PROPERTY OVERVIEW:

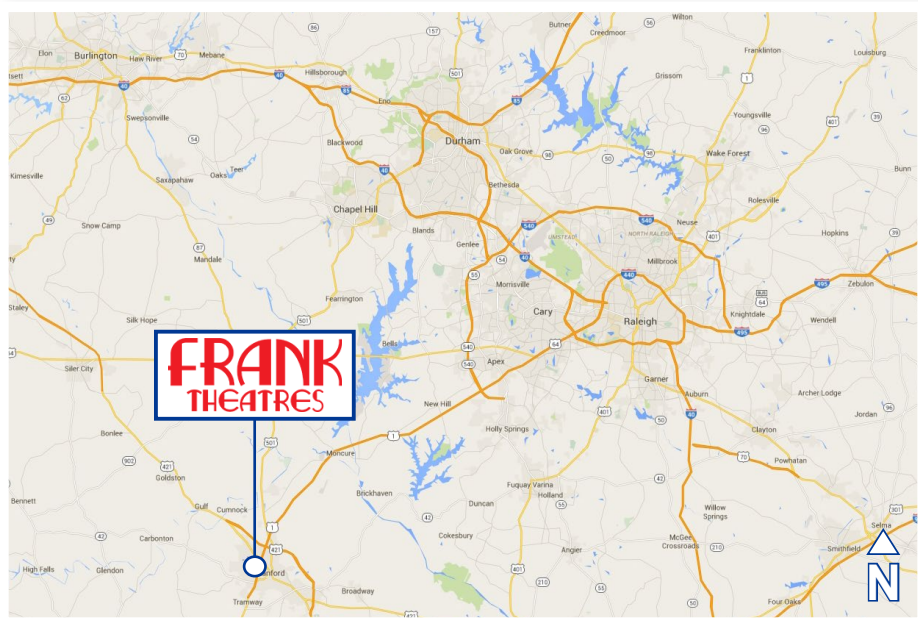
NOI:	\$515,393
Lease Commencement:	October 4, 2013
Lease Expiration:	January 31, 2033
Rental Escalations:	Lesser of 1.75% or 1.25X CPI
Renewal Options:	One 5-Year, One 4-Year
Building Size:	34,724 SF
Land Size:	279,433 SF
Year Renovated:	2004
Lease Type:	NNN
Address:	1351 Douglas Drive, Sanford, NC 27330

LOCATION OVERVIEW:

Sanford is a city in Lee County, North Carolina. The population was 28,518 at the 2010 census which is a 28.9% increase from 2000. Sanford is geographically located in the direct center of North Carolina. Sanford produced 10% of the bricks in the United States and was named “Brick Capital of the USA”. Other large employers include 3M, Caterpillar Inc., Pfizer, and Tyson Foods. Sanford is located in the central part of North Carolina and about 40 miles south west of Raleigh, NC.



LOCATION MAPS:







COASTAL CINEMAS – SHALLOTTE, NC



EXECUTIVE SUMMARY:

The 34,888 square foot Coastal Cinema building was constructed in 2003 and is positioned along the Ocean Highway (US Route 17). US Route 17 is the primary north-south thoroughfare in the area and connects Shallotte to Myrtle Beach to the south. The property is benefitted by its location adjacent to a Lowe’s Home Improvement store. The surrounding area features numerous retailers including Walmart Supercenter, Home Depot, Walgreens, CVS, Belk, BB&T Bank, AutoZone, Hill’s Supermarket, Wendy’s, KFC and Bojangles. Shallotte is a popular vacation destination with 39 signature golf courses and miles of Atlantic Beaches within minutes of the town.

Coastal Cinema is a 10 screen stadium seating cinema that is the only theatre serving the Shallotte area.

PROPERTY HIGHLIGHTS:

- Long term lease with over 15 years remaining
- Annual rental escalations
- Absolute triple net lease with no landlord responsibilities
- Positioned adjacent to a Lowe’s
- Retailers located within the trade area include Walmart Supercenter, Home Depot, Walgreens, CVS, Belk, BB&T Bank, AutoZone, Hill’s Supermarket, Wendy’s, KFC and Bojangles
- Located along the Ocean Highway (US Route 17)
- Only movie theatre serving the Shallotte community

SITE PLAN:



DEMOGRAPHIC REPORT:

Population	3 Mile	5 Mile	7 Mile
Total Population	6,880	15,075	24,752
Total Households	2,929	6,417	10,739
Income	3 Mile	5 Mile	7 Mile
Median Household Income	\$42,327	\$41,023	\$40,491
Average Household Income	\$55,406	\$55,348	\$55,497

PROPERTY OVERVIEW:

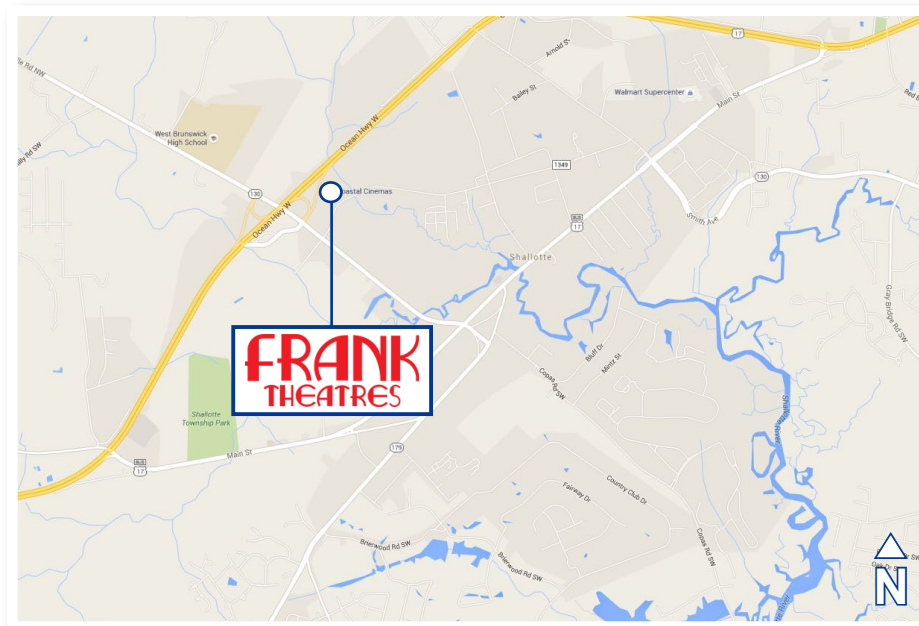
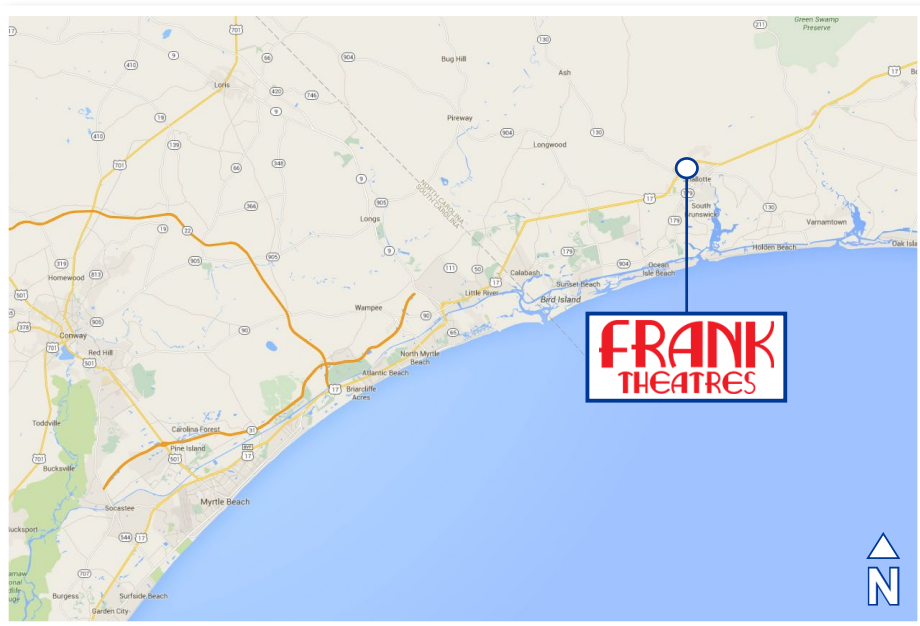
NOI:	\$439,039
Lease Commencement:	October 4, 2013
Lease Expiration:	January 31, 2033
Rental Escalations:	Lesser of 1.75% or 1.25X CPI
Renewal Options:	One 5-Year, One 4-Year
Building Size:	34,888 SF
Land Size:	262,602 SF
Year Renovated:	2003
Lease Type:	NNN
Address:	5200 Bridgers Road, Shallotte, NC 28470

LOCATION OVERVIEW:

Shallotte is a town in Brunswick County, North Carolina and is part of the Myrtle Beach MSA. The population was 3,675 at the 2010 census. Myrtle Beach attracts an estimated 14 million visitors each year. Shallotte is a beach town and is about 10 miles north of the South Carolina border. The Shallotte River connects the intercostal waterway to the Atlantic Ocean. There are 39 signature golf courses and 45 miles of Atlantic Beaches within minutes of Shallotte.



LOCATION MAPS:





CREEKSIDE CINEMAS – MOUNT AIRY, NC



EXECUTIVE SUMMARY:

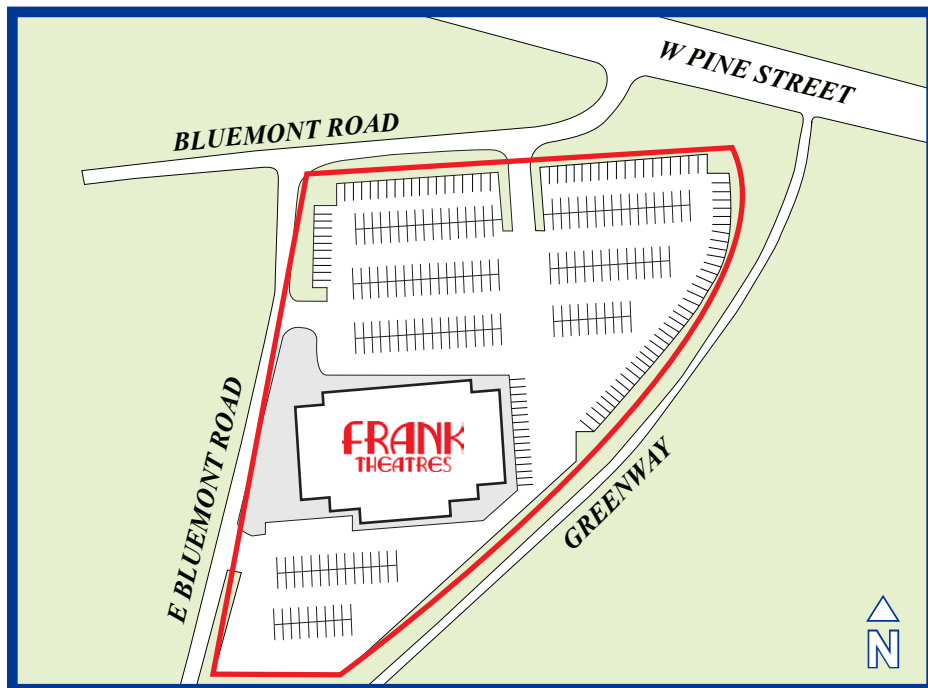
The 34,439 square foot Creekside Cinema building is centrally located within the area’s regional retail destination. The property is located directly across the street from a Lowes Foods grocery anchored development. Further contributing to the strength of this retail corridor is the presence of the Mayberry Mall which is anchored by Belk, JCPenney and Kmart. Additional retailers located in the trade area include Walmart Supercenter, Lowe’s, Walgreens, Staples, AutoZone and First Community Bank. There are approximately 30,000 people living within a five mile radius of the property.

Creekside Cinema is a 10 screen stadium seating cinema that is the only theatre serving the Mount Airy area.

PROPERTY HIGHLIGHTS:

- Long term lease with over 15 years remaining
- Annual rental escalations
- Absolute triple net lease with no landlord responsibilities
- Positioned in a regional retail destination that includes Walmart Supercenter, Lowe’s, Walgreens, Staples, Lowes Foods, AutoZone and First Community Bank
- Immediate proximity to the Mayberry Mall which is anchored by Belk, JCPenney and Kmart
- Only movie theatre serving the Mount Airy community

SITE PLAN:



DEMOGRAPHIC REPORT:

Population	3 Mile	5 Mile	7 Mile
Total Population	17,261	28,215	37,261
Total Households	7,604	11,964	15,682

Income	3 Mile	5 Mile	7 Mile
Median Household Income	\$30,648	\$32,730	\$33,300
Average Household Income	\$45,345	\$46,646	\$46,677

PROPERTY OVERVIEW:

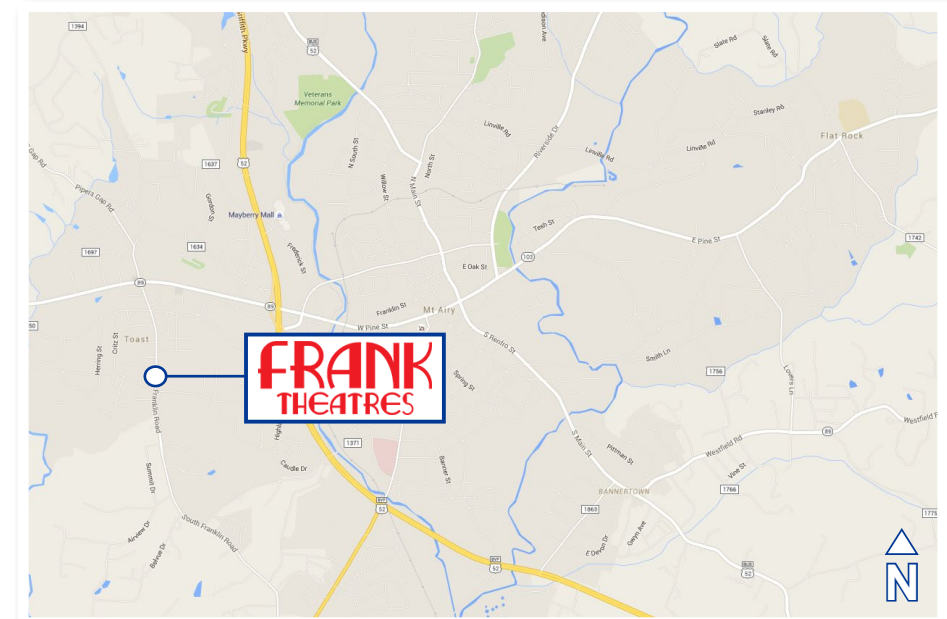
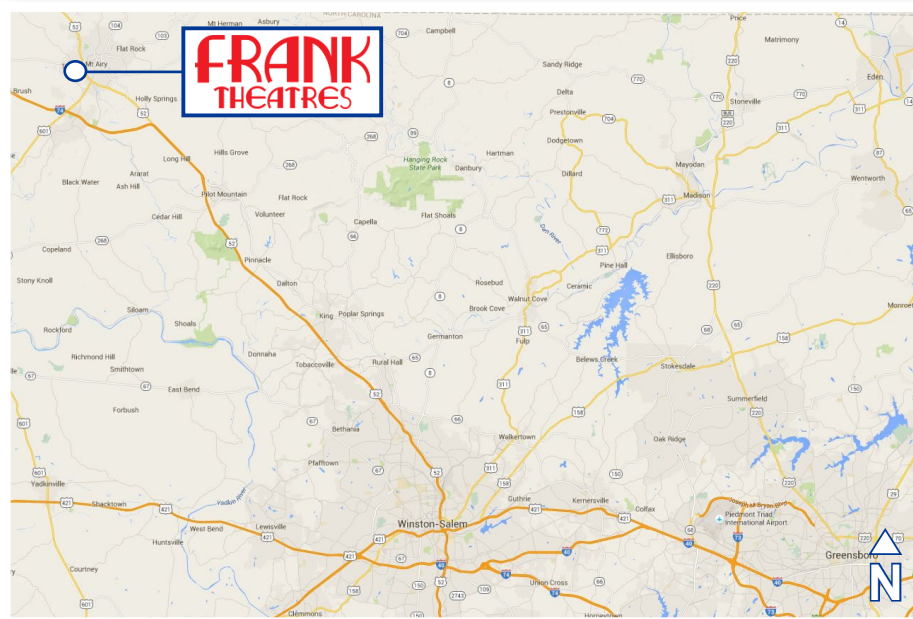
NOI:	\$400,861
Lease Commencement:	October 4, 2013
Lease Expiration:	January 31, 2033
Rental Escalations:	Lesser of 1.75% or 1.25X CPI
Renewal Options:	One 5-Year, One 4-Year
Building Size:	34,439 SF
Land Size:	324,303 SF
Year Renovated:	2000
Lease Type:	NNN
Address:	605 E Bluemont Rd, Mt Airy, NC 27030

LOCATION OVERVIEW:

Mount Airy is a city in Surry County, North Carolina. As of the 2010 census, the city had a population of 10,388. Over the last 10 years, the population has increased by 22.4%. Mount Airy is located along the Ararat River and just 3 miles south of the Virginia state line. Actor Andy Griffith was born in Mount Airy, and the town is believed to have been the basis for Mayberry, the setting of the TV shows *The Andy Griffith Show* and *Mayberry RFD*.



LOCATION MAPS:







Coastal Cinemas – Shallotte, NC



Spring Lane Cinemas – Sanford, NC



Creekside Cinemas – Mount Airy, NC



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