



# 3883 FLAMINGO CENTER, LLC

3883 W. Flamingo Road at S. Valley View Boulevard • Las Vegas, NV 89103



## \$10,000,000 Preferred Units Offering

**Total Development Cost:**

\$27,600,000

**Value at Completion:**

\$38,800,000 (gross, est.)

**Investment Period:**

12-24 months.

**Current Yield Paid:**

10.0% (annualized)

**Minimum Preferred IRR:**

At least 20%

(including 10% Yield)

**Minimum Investment:**

\$50,000

**Offering Type:**

Reg D 506(b)

A NNN Retail Build-To-Suit Commercial Real Estate Development Project consisting of 5 separate buildings adjacent to the Strip in Las Vegas.



Open to accredited investors only.

### INVESTMENT OVERVIEW

CAI Investments is developing the Property with the intention of having the NNN Retail Parcels 100% pre-leased to long-term tenants. The total development cost ("Total Development Cost") of the Project is \$27,535,128 (including land cost ("Land Cost") of \$17,765,016 and financing costs ("Financing Costs") of \$1,033,561 (see "Sources and Uses of Funds at Closing," on page 5). The projected gross market value of the Project is estimated at \$38,771,906, a projected increase in value from the Total Development Cost of more than 40% over an anticipated 12-24 month hold period.

### INDUSTRY OVERVIEW

Estimates of the overall size of the NNN commercial lease market is from \$1.5 trillion to \$4.0 trillion market, according to a January 31, 2017 B of A / Merrill Lynch research report. Typically, triple net leases have relatively long lease terms (15-20 years) and renewal options at the end of the lease term. As a result, the cash flow of a triple net lease is fairly predictable and stable. Examples of freestanding NNN retail properties ("NNN Retail") include, fast food and quick service restaurants, service stores (e.g., drugstores), gas stations, convenience stores, childcare and auto repair facilities.

### CAI INVESTMENTS, LLC

9325 W. Sahara Ave., Las Vegas, NV 89117

702.853.7902 O

702.947.6111 F

www.caicap.com

This material does not constitute an offer and is authorized for use only when accompanied by the confidential Private Placement Memorandum ("PPM"). Reference is made to the PPM for a statement of risks and terms of the offering and qualifications and assumptions regarding forward looking information. The information set forth herein is qualified in its entirety by the PPM. All potential investors must read the PPM and no person shall invest without acknowledging receipt and complete review of the PPM.

# 3883 FLAMINGO CENTER, LLC



Tenant photos are for illustration purposes only. The actual buildings built will look different.



## INVESTOR RETURNS SUMMARY EXAMPLE

Investment Amount \$100,000

Income: 24-mo. Hold (10% annual yield) \$20,000

Sales Proceeds (profit share) \$18,096

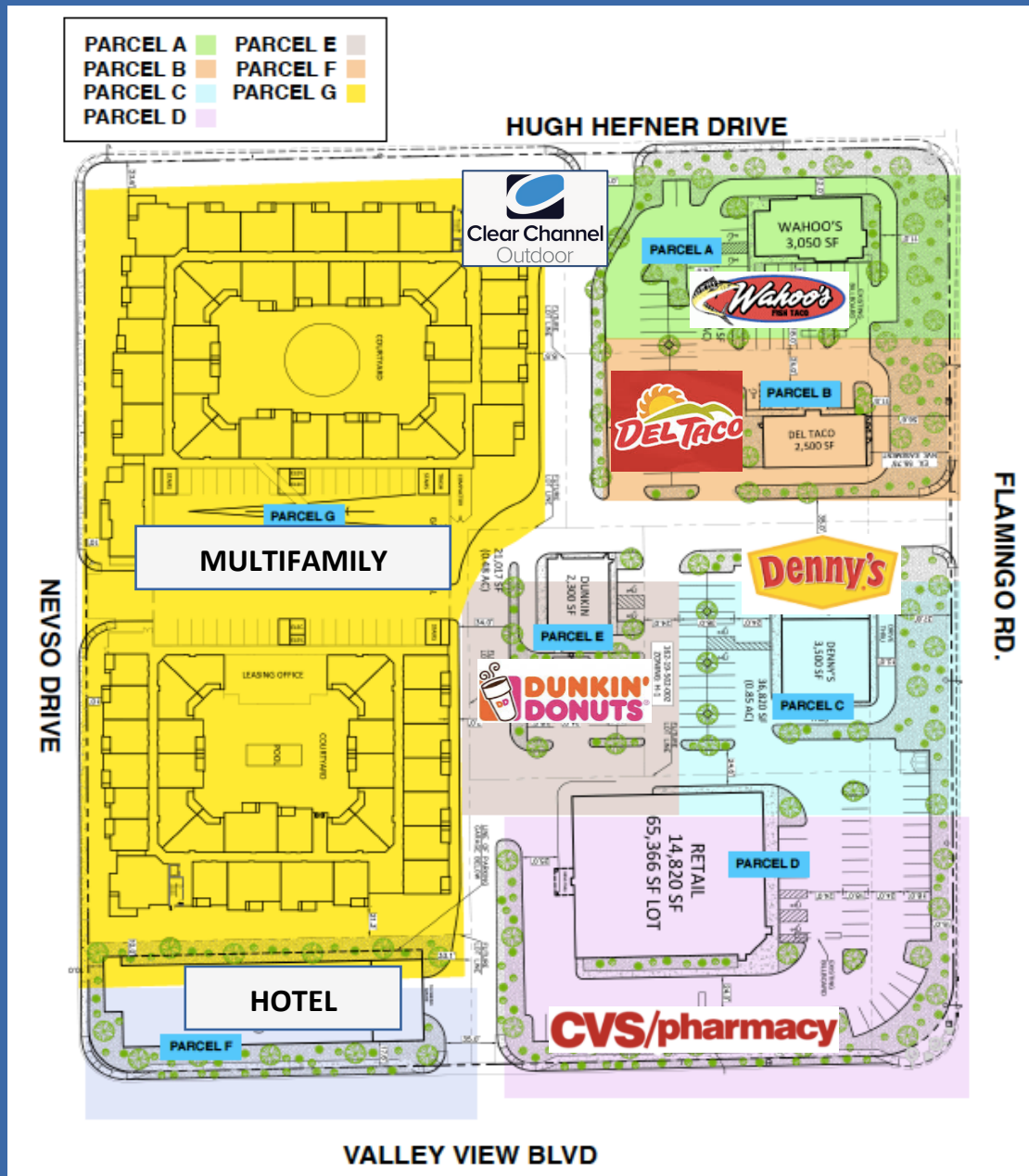
**Total Projected Return \$138,096**

### PRIMARY INVESTMENT OBJECTIVES:

- (1) Preserve, protect and return one hundred percent (100%) of Members' capital
- (2) Maximize current cash flow from operations to be distributed to Members; and
- (3) Earn superior risk-adjusted returns over a 12 to 24 month hold/sell period, although the Project may last beyond 24 months.

	Base Case	Upside Case	Downside Case
Annual 10% Current Yield:	10%	10%	10%
Projected Priority IRR:	20.1%	37.7%	12.4%
Investment Exit Month:	24	12	24
Profit Split to Preferred Members:	20%	20%	100%
Sponsor Gets Return of Investment:	Yes	Yes	No

**Disclaimer:** The recipients of this analysis have been made aware that an investor should not purchase predicated on this analysis without the advice of financial, tax and legal counsel. We make no guarantees, warranties or representations about this analysis. It is the purchaser's responsibility to independently confirm its accuracy and completeness. Amounts are based on assumptions and are for illustrative purposes only and may vary widely from actual results.



Tenant	Type of Business	Letter of Interest	Lease Term
<b>Wahoo's Fish Tacos</b> (Parcel A)	Mexican seafood restaurant and bar (privately-held regional chain)	Signed Non-binding Letter of Intent dated February 13, 2017	20 Years
<b>Del Taco</b> (Parcel B)	Fast Casual Mexican restaurant (publicly traded NASDAQ: TACO)	Signed Non-binding Letter of Intent dated November 28, 2016	20 Years
<b>Denny's</b> (Parcel C)	Modern diner restaurant (publicly traded NASDAQ: DENN)	Signed Non-binding Letter of Intent dated January 31, 2017	20 Years
<b>CVS</b> (Parcel D)	Corner retail-pharmacy store (publicly-traded NYSE: CVS)	Signed Non-binding Letter of Intent dated April 4, 2017	20 Years
<b>Dunkin Donuts</b> (Parcel E)	Donut and coffee shop (publicly traded NASDAQ: DNKN)	In Process	20 Years
<b>Clear Channel Outdoor</b> (3 Billboard Footings)	Billboard, outdoor advertising (publicly-traded NYSE: CCO)	Existing Lease in Place	10/31/18 expiry

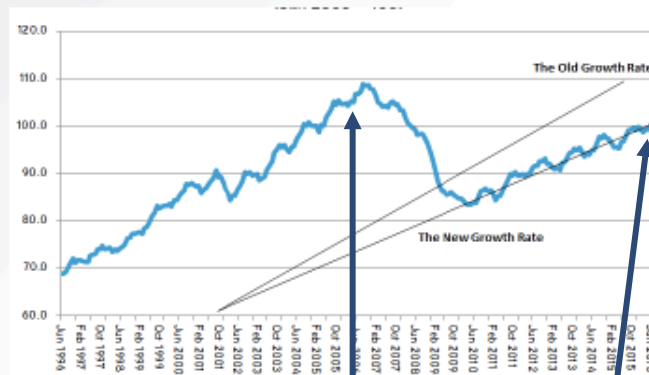
### From Recovery to Expansion in 2016

Southern Nevada posted a strong 2016 (so far), recovering from the Great Recession and laying the foundations for economic expansion. With a national recession in the near future unlikely, we think Southern Nevada's economy will continue to grow through 2017 and 2018.

Unemployment in the Las Vegas-Paradise MSA stood at 5.5 percent as of October 2016, down from 6.4 percent in October 2015. The national



#### Recovery Index (Year -Over-Year)



#### Clark County Economic Data

	Year Ago	Current
Jobs (1000s) (Oct 2016)	934.3	947.0
Visitor Volume YTD (Oct 2016)	35.7 MM	36.5 MM
Gaming Revenue YTD (Oct 2016)	\$7.9 BB	\$8.0 BB
Taxable Sales YTD (Sep 2016)	\$28.4 BB	\$29.5 BB
Commercial Occupancy (Q4-16)	90.7%	91.3%

Source: The Center for Business & Economic Research, UNLV; Colliers International

**PROPERTY SOLD FOR \$65 MILLION IN 2007**

**CAI PURCHASES SITE FOR \$13.5 MILLION<sup>1</sup> IN AN REO SALE BY THE LENDER (LEHMAN BROTHERS ESTATE)**

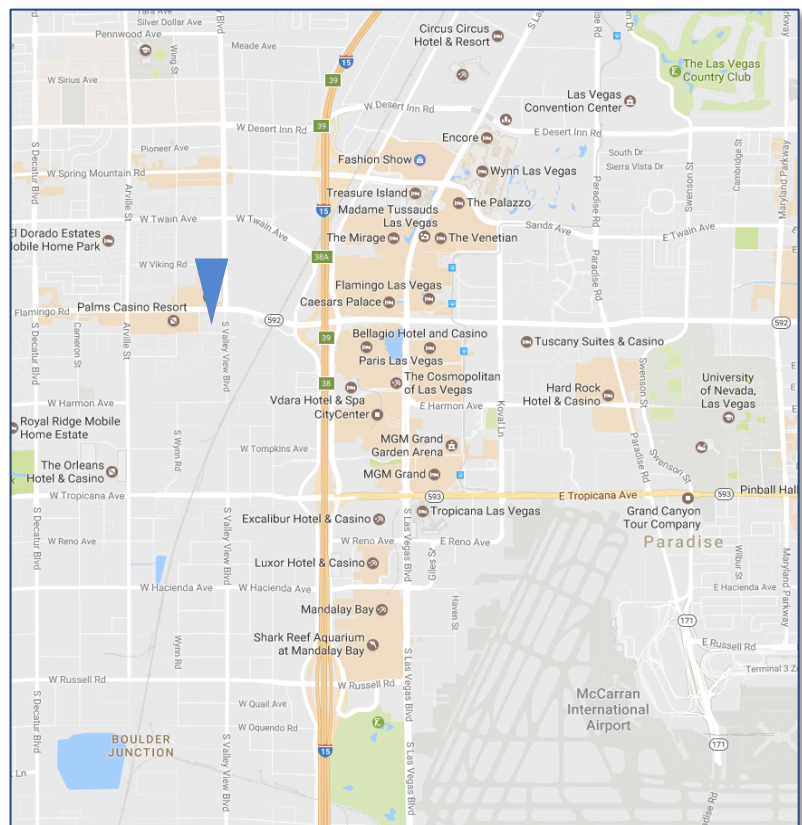
#### Economic Indicators



#### Market Indicators

Relative to prior period	Q4 2016	Q4 2017*
VACANCY	↓	↓
NET ABSORPTION	↓	↔
CONSTRUCTION	↓	↑
RENTAL RATE	↑	↑

\*Projected



<sup>1</sup> Contract purchase price was \$13.5 million; all-in land cost is \$17.8 million.



# 3883 FLAMINGO CENTER, LLC

## BASE CASE RETURN

### PROJECTIONS FOR PREFERRED MEMBERS

3883 Flamingo Center, LLC, a Delaware limited liability company (the "Issuer"), was formed by CAI Investments, LLC, a Nevada limited liability company ("Sponsor"), for the purpose of acquiring, then completing the development of, and thereafter selling, certain vacant land located at 3883 W. Flamingo Road, Las Vegas, Nevada ("Property").

PREFERRED MEMBERS: 24-mo. IRR (QTRLY)									
BASE CASE	6/1/17	6/1/17	9/1/17	12/1/17	3/1/18	6/1/18	9/1/18	12/1/18	3/1/19
<b>Revenue: NNN Contract Rents</b>									
Quarterly DCF	0	1	2	3	4	5	6	7	8
Equity Capital Balance	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000
<b>Cash Flow After Financing</b>									
Preferred Member 10% Yield		\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Investor Return of Capital		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000,000
Profit Split (20% of proceeds)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,798,604
	(\$10,000,000)	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$12,048,604

<b>Preferred Member Return</b>	XIRR:	20.1%
	Equity Multiple:	1.4 x

Projected profit for splits	\$8,993,018
PREFERRED MEMBERS SPLIT	\$1,798,604 20.00%
COMMON MEMBERS SPLIT	\$7,194,414 80.00%

\*\*\*20% of profit to Preferred Members

<b>Total Gross Market Value ("GMV")</b>	<b>\$38,771,906</b>	(at completion)
<b>Total Development Cost:</b>	<b>\$27,535,128</b>	(includes financing costs)
<b>Construction Loan:</b>	<b>\$21,078,684</b>	(total)
Construction Loan Facility		\$19,876,175
Interest Reserve (12-months)		\$993,809
Loan Origination Fee		\$208,700
Loan-To-Value (gross value):	54.37%	
Loan-To-Cost (including financing costs):	76.55%	
<b>Borrower Equity (Required Equity for Loan):</b>	<b>\$6,456,444</b>	
<b>Equity from Sponsor (Common):</b>	<b>\$500,000</b>	
<b>Equity Offering Proceeds (Preferred):</b>	<b>\$10,000,000</b>	
Equity Allocated to Loan Equity Required		\$6,456,444
Equity for Liquidity Covenant		\$2,000,000
Additional Equity for Load		\$1,025,000
O&O Expense Reimbursement		\$100,000
Contingency		\$418,556

**Disclaimer:** The recipients of this analysis have been made aware that an investor should not purchase predicated on this analysis without the advice of financial, tax and legal counsel. We make no guarantees, warranties or representations about this analysis. It is the purchaser's responsibility to independently confirm its accuracy and completeness. Amounts are based on assumptions and are for illustrative purposes only and may vary widely from actual results.



## CAI INVESTMENTS SENIOR TEAM MEMBERS



**Christopher Beavor** is the founder of and manages and controls the Sponsor, and manages and controls the Manager. Mr. Beavor has crafted a network of relationships with real estate investors, sellers and brokers, which allowed Sponsor to acquire and complete over 200 real estate transactions over the past 10 years under the Sponsor umbrella. Having handled approximately over 8,000 completed real estate transactions over the course of the past decade, Mr. Beavor and the companies he directly or beneficially owns and/or controls, including the Sponsor and its affiliates are collectively well-versed in identifying, acquiring, repositioning, and managing real estate assets and properties for numerous companies, including Fannie Mae, Archbay Capital, Freddie Mac, and GTIS Partners. In addition, SSRI has developed approximately over \$300,000,000 in projects within the United States and Europe and approximately over 1,000 real estate assets for over 150 clients



**Paul Schiada** is the General Counsel, Secretary and Chief Financial Officer of the Sponsor and Manager. From 2013 to the present, Mr. Schiada has advised the Sponsor on its real estate development and management activities, as well as participating as a principal in certain of the Sponsor's. Mr. Schiada received his law degree from the University of Southern California Law School in 1987, and his Economics degree from the University of California, Los Angeles in 1984. Mr. Schiada was a Partner in the Los Angeles office of Katten Muchin & Zavis (now Katten Muchin Rosenman) until 1998. There, Mr. Schiada specialized in complex commercial transactions, including corporate finance, real estate, joint ventures and mergers and acquisitions. Since 2003, Mr. Schiada has also invested in and managed various business ventures, including real estate development, restaurants and equipment leasing. As a principal in these ventures, Mr. Schiada has been responsible for financial, administrative and legal affairs.



**Edward Yu** is Vice President and a Managing Director of the Sponsor and Manager. Mr. Yu is a founder, and the former CEO, of CapitalFund Realty, Inc., a real estate fund management firm based in New York City. Mr. Yu has over 25 years of principal transactions experience investing in global institutional commercial real estate, creating private equity real estate funds and raising debt and equity for funds and individual deals. His career has covered all aspects of real estate investment and fund management with previous senior roles at firms including AEW Capital Management, CBRE Global Investors, Starwood Capital Group and Prudential Real Estate Investors. Mr. Yu has a Master of Urban Design and Real Estate from Harvard University and a Bachelor of Science from University of California, Davis.



**David Steele** is Acquisition Manager for Sponsor, where he oversees real estate acquisitions and is responsible for new business development. Mr. Steele successfully takes part in Sponsor's efforts to acquire, develop, operate, and position underperforming investment assets. He now manages a professional team focused with handling every transaction in its entirety from locating investment properties, general real estate, acquisition, market research, setting up financial models, and overseeing the closing process to managing property rehabilitation and development. Mr. Steele has recently joined the Sponsor team by way of Southwest Florida. He graduated from Florida Gulf Coast University with a degree in Business Management and is a licensed Real Estate Professional in both in the State of Nevada and Florida.

v1.6 04.26.2017

### SANDLAPPER Securities, LLC

Attention: William Swayne

WMS Marketing

809 Fairview Pl N, Suite 130

Seattle, WA 98109

Telephone: (206) 726-1633 | Cell: (206) 920-6727

Facsimile: (206) 726-1613

Bill\_jr@WMSFP.com

### CAI INVESTMENTS, LLC

Attention: Christopher Beavor

9325 W. Sahara Avenue

Las Vegas, NV 89117

Telephone: (702) 853-7902

Facsimile: (702) 947-6111

chris@caicap.com

www.caicap.com

**Disclaimer:** This announcement does not constitute an offer to buy or sell securities. Such offers may only be made to qualified accredited investors via the Confidential Private Placement Memorandum ("PPM"). Investments into private placement securities should be considered highly speculative and involve a degree of risk including the potential for complete loss of principle investment. Prospective investor must read the PPM in its entirety and pay particular attention to the cost projections, performance assumptions and "Risk Factors" to fully understand the risks and costs involved with this investment. This preferred unit private placement offering is an illiquid investment. Income is not guaranteed and no representation to such has been made. All statements here are believed to be accurate. This announcement does not supersede the PPM. Representatives of WMS Marketing are independent registered representatives of SANDLAPPER Securities through WMS Financial Planners, Inc. SANDLAPPER Securities and WMS Financial Planners, Inc. are not affiliated firms. Securities offered through SANDLAPPER Securities, LLC (Member FINRA/SIPC).