

SPEC'S WINES, SPIRITS + FINER FOODS PORTFOLIO

8% CAP \$5,161,876

6731 State Highway 31 West | Kilgore, Texas 75662

2500 E Central Texas Expressway, Suite C | Killeen, Texas 76543



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Lee & Associates - Newport Beach

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Confidentiality Agreement

This is a confidential Offering Memorandum (the "Offering Memorandum") intended solely for your limited use and benefit in determining whether you desire to express further interest in purchasing the "Property".

This Offering Memorandum has been prepared by Lee & Associates - Newport Beach in conjunction with DFW Lee & Associates, LLC ("Lee & Associates") on behalf of the owner of the Property (the "Owner") and has been reviewed by representatives of the Owner. It contains select information pertaining to the Property and does not purport to be an all-inclusive representation of the state of affairs of the Property, or to contain all the information, which prospective investors may require. All financial projections and information are provided for general reference purposes only and are based on assumptions relating to the general economy, market conditions, competition and other factors beyond the control of the Owner and Lee & Associates. The information contained herein was obtained from third parties, and it has not been independently verified by Lee & Associates. Prospective investors should have the experts of their choice inspect the Property and verify all information. Lee & Associates is not qualified to act as or select experts with respect to legal, tax, environmental, building construction, soils-drainage or other such matters. Therefore, all projections, assumptions and other information provided and made herein are subject to material variation. Neither the Owner nor Lee & Associates, nor any of their respective directors, officers, affiliates or representatives make any representation or warranty, expressed or implied, as to the accuracy of completeness of this Offering Memorandum or any of its contents, and no legal commitment or obligation shall arise by reason of your receipt of this Offering Memorandum or use of its contents.

The Owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest or offers on the subject Property, and/or to terminate discussions with any entity at any time with or without notice which may arise as a result of review of this Offering Memorandum. The Owner shall have no legal commitment or obligation to any entity reviewing this Offering Memorandum or making an offer on the Property unless and until written agreement(s) for the Property have been fully executed, delivered and approved by the Owner and any conditions to the Owner's obligations therein have been satisfied or waived.

By receipt of this Offering Memorandum, you agree that this Offering Memorandum and its contents are of a confidential nature, that you will hold and treat it in the strictest confidence and that you will not disclose this Offering Memorandum or any of its contents to any other entity without prior written authorization of the Owner or Lee & Associates. You also agree that you will not use this Offering Memorandum or any of its contents in any manner detrimental to the interest of the Owner or Lee & Associates.

Lee & Associates reserves the right to submit the Property to additional clients on terms that may or may not be identical to the terms contained herein. By receipt of this Offering Memorandum, you acknowledge that competing interests may develop in connection with offers on the Property, and waive any conflict of interest that might arise as a result thereof. In such case, Lee & Associates expressly disclaims any obligation to advance the interest of any client at the expense of any other client who may receive this Offering Memorandum. Dealings with each client shall remain strictly confidential and in no case will NLA disclose the terms of any actual or potential offer to any competing client.

If you have further questions,
please contact Lee &
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Kilgore - Lease Summary

Tenant	Spec's Wines, Spirits & Finer Foods DBA: Fat Dog Beverages
Address	6731 State Highway 31 West, Kilgore, Texas 75662
Purchase Price	\$1,596,126 (\$104.35 PSF)
Cap Rate	8%
Annual Rent	\$127,690
Rent per SF (Building)	\$8.35
Renewal Options	4 (5) Years
Rental Increases	10% Every Five (5) Years
Base Lease Term	20 Years
Remaining Term	10 Years
Lease Commencement	February 11, 2008
Lease Expiration	February 10, 2028
Building Size	±15,296 SF
Land Size	1.02 Acres
Lease Type	Net Lease
Property Taxes	Tenant Responsibility
Insurance	Tenant Responsibility
Utilities	Tenant Responsibility
Common Area Expenses	Tenant Responsibility
Roof, Structure & Exterior	Tenant Responsibility

Killeen - Lease Summary

Tenant	Spec's Wines, Spirits & Finer Foods
Address	2500 E. Central Texas Expressway, Suite C, Killeen, Texas 76543
Purchase Price	\$3,565,750 (\$125.00 PSF)
Cap Rate	8%
Annual Rent	\$285,260
Rent per SF (Building)	\$10.00
Renewal Options	2 (5) Years
Base Lease Term	10 Years
Remaining Term	3 Years
Lease Commencement	August 6, 2011
Lease Expiration	August 31, 2021
Building Size	±28,526 SF
Land Size	3.01 Acres
Lease Type	Net Lease
Property Taxes	Tenant Responsibility
Insurance	Tenant Responsibility
Utilities	Tenant Responsibility
Common Area Expenses	Tenant Responsibility
Roof, Structure & Exterior	Landlord Responsibility

Tenant Profile

Owned and operated by the same Houston family since 1962, Spec's is a true destination shopping experience. Spec and Carolynn Jackson began their venture into the liquor business with a small store around 1,000 sq ft selling pints and half pints of liquor. Over the years they diligently worked to open more locations and expanded to include larger bottles of liquor and then beer. In 1971 their daughter Lindy and son in law John joined the business upon college graduation. John and Lindy learned the business from the ground up and together the four put Spec's into the spotlight of the world. With the introduction of wines in 1974, John Rydman turned everybody's heads with the breadth of wine selection and pricing offered in Houston. John's love of all things wine is at the forefront of our wine departments to this day. Spec's entered the food business with po-boy sandwiches, crackers and cheese in the late '80's because customers asked and we responded. We haven't stopped since!

In 1995, the business grew once more with the addition of third generation family member Lisa Rydman-Key. She and her husband, Hermen Key, are proud to be a part of such a fantastic history of family business. Today we have over 90 locations all over the great state of Texas. We proudly serve the communities of Houston, Beaumont, Austin, Galveston, Victoria, Temple, San Antonio, Corpus Christi and Bryan-College Station. We offer the best selection of wines, spirits, beers, liqueurs, cigars and in our larger stores, fine gourmet foods.

The Warehouse Store in downtown Houston is the crown jewel of our operation. With over 40,000 labels Spec's indeed fills all 80,000 sq feet of selling space. Our walk-in humidor offers over 900 cigars- more than many tobacconist shops. Our deli offers the finest in deli meats, pates, domestic and imported cheeses, fresh caviar, and a complete assortment of domestic and imported smoked fish and salmon, not to mention our made- to-order sandwiches, salad bar, fresh baked breads, party trays and so much more! We roast our own coffee beans and offer over 100 different coffees. We have teas from around the world and all the necessary accompaniments.

CORPORATE HEADQUARTERS



Tenant Overview

Headquarters	Houston, TX
Founded	1962
Ownership	Private
Locations	±90
Website	www.speconline.com