

Assignment of Leasehold Interest

KFC BUILDING

2015 WEST HIGHWAY 89A
SEDONA, ARIZONA

\$6,180/MONTH BASE RENT + \$1,654 NNN EXPENSES

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EXCLUSIVELY OFFERED BY:

**JOHN D. MILLER
BROKER**

**JOHN D. MILLER REAL ESTATE SERVICES, INC.
THE OLD MARKETPLACE
1370 W HWY 89A SUITE 17
SEDONA, ARIZONA 86336**

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COMMERCIAL

REAL ESTATE SERVICES INC



John D. Miller, Broker

The information contained herein has been obtained from sources deemed reliable, however, its accuracy is not guaranteed.

Any prospective purchaser should independently verify any information upon which they would base a purchase decision.

EXECUTIVE SUMMARY

PROPERTY LOCATION: At the southwest corner of Coffee Pot/Sunset Drive and West Highway 89A in Sedona, AZ.

The property is located between Sedona's two main neighborhood shopping centers, the Basha's center and the Safeway center.

PROPERTY BRIEF:

The property is one of the few buildings in Sedona that has both a hard corner on a traffic controlled intersection and a drive-through. The property is currently leased by a KFC franchisee, who is relocating to another site in Sedona.

PROPERTY TYPE:

Restaurant or other commercial use.

BUILDING CONDITION:

The property will be delivered in a 'vanilla shell' condition with the ansel system and hood in place.

PRICE:

Assume the remaining lease term at a base rental rate of:

2/1/08—1/31/09	\$6,180.00 / month
2/1/09—1/31/10	\$6,365.40 / month
2/1/10—1/31/11	\$6,556.36 / month
2/1/11—1/31/12	\$6,753.05 / month

In addition to the base rent, the tenant is responsible for all tax, insurance and building maintenance expenses in the current amount of \$1,654 / month.

LEASE TERM:

The owner of the property has expressed and interest in extending the lease term for a qualified tenant at a rental rate that is CPI indexed each year beyond the current lease term

BUILDING SIZE:

2,448 sq. ft.

LAND AREA:

0.47 acres



View of intersection from property.



View of the drive-thru

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View of Property

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EXECUTIVE SUMMARY (CONT'D)

NNN EXPENSES:	Property taxes	\$8,763
	Building Insurance	\$3,747
	Repairs & Maintenance	<u>\$7,334</u>
	Yearly	\$19,844
	Monthly	\$1,654

YEAR BUILT: 1977

COUNTY: Yavapai County

TAX IDENTIFICATION: 408-24-026B

UTILITIES AVAILABLE: Sewer - City of Sedona
Water - Arizona Water Company
Electric - APS
Gas - Unisource

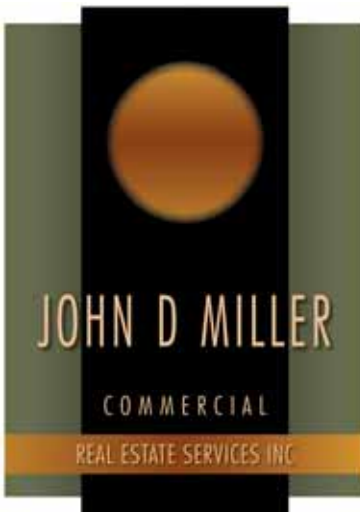
OTHER INFORMATION: Existing Lease
ALTA survey
Site Plan
As-built architectural plans

LEASING / MANAGEMENT: Owner managed.

REFERENCE CONTACTS:

City of Sedona: Nick Gioello
Senior Planner
(928) 203-5100

Chamber of Commerce: Jennifer Wesselhoff
Executive Director
(928) 204-1123



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View of the seating area.

CONTACT

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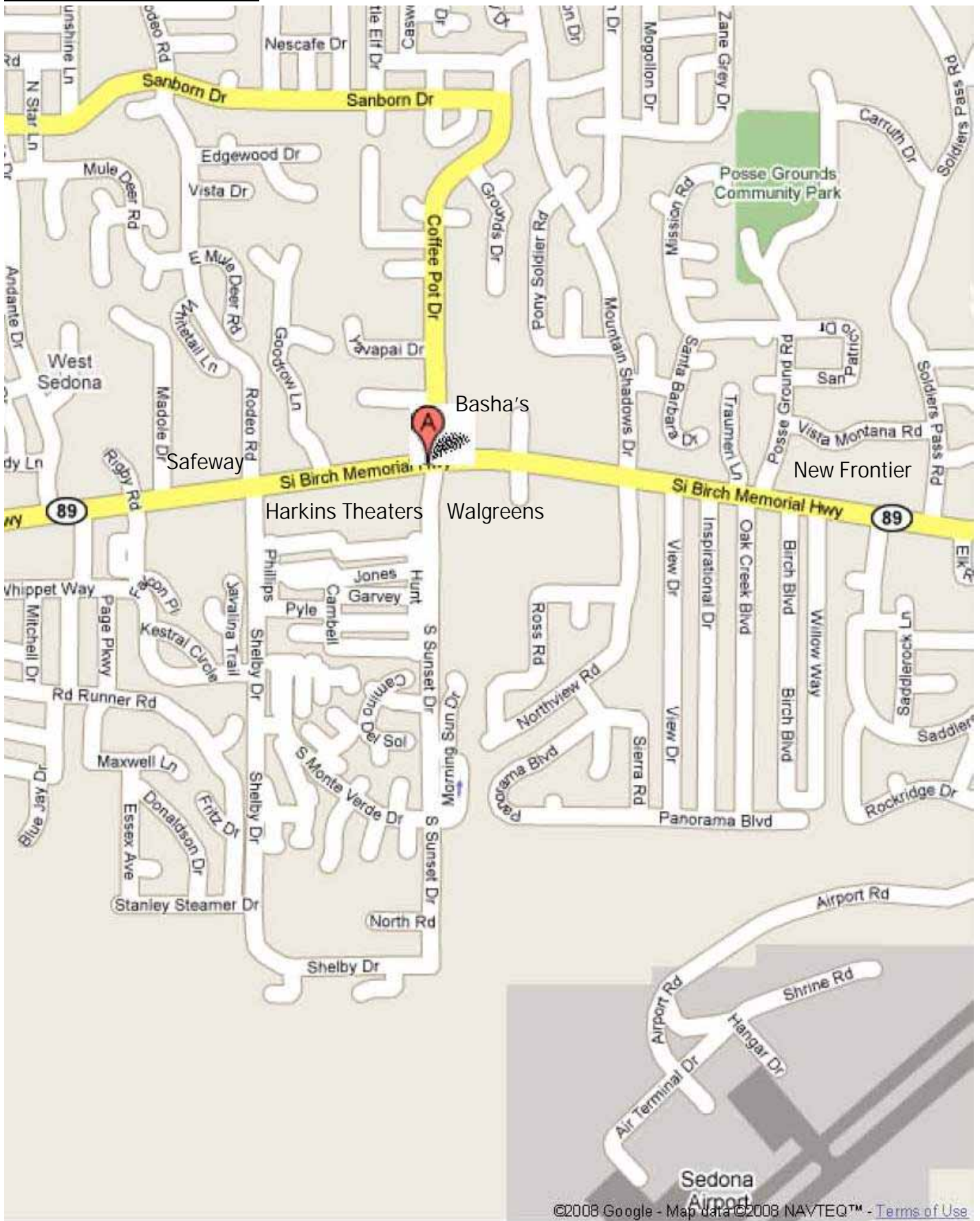
View of the ordering counter area.



View of the food and drink bars.

AREA MAP

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AERIAL MAP

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34°51'48.54" N 111°47'49.47" W

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Eye alt: 3281 ft

DEMOGRAPHIC INFORMATION

JOHN D. MILLER REAL ESTATE

TRAFFIC COUNTS

Annual Average Daily Traffic counts for the intersection:

West Highway 89A (east of intersection)—25,200 cars per day (2007)

West Highway 89A (west of intersection)—14,700 cars per day (2007)

Sunset Drive—3,959 cars per day (2004)

DEMOGRAPHICS:

<u>2008 Summary</u>	<u>City of Sedona</u>	<u>National</u>
Total Population	14,873	309,299,265
Total Households	7,158	116,384,754
Average Persons per Household	2.1	2.7
 <u>2008 Population by Race</u>		
White	79.5%	56.9%
Hispanic	11.3%	15.4%
Black	0.5%	12.6%
American Indian	0.7%	0.9%
Asian	1.2%	4.6%
Other Races	4.8%	6.7%
Two or More Races	1.9%	2.9%
 <u>2008 Population by Sex</u>		
Male	47.5%	49.1%
Female	52.5%	50.9%
 <u>2008 Household Income</u>		
Median Household Income	\$56,877	\$54,749
Household Income Under \$50,000	43.9%	45.5%
Household Income \$50,000—\$100,000	30.1%	34.8%
Household Income Over \$100,000	26.0%	19.6%
 2008 Average Home Value	 \$473,031	 \$260,559

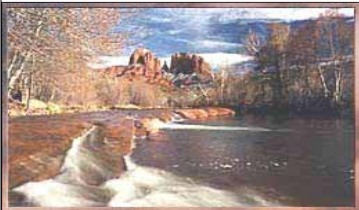
SEDONA AREA PHOTOS



Coffee Pot Rock, Sedona



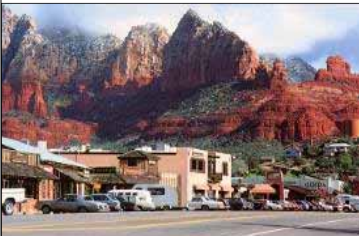
Snoopy Rock, Sedona



Red Rock Crossing, Sedona



Cathedral Rock, Sedona



Uptown Sedona



Sedona Sunset

AREA DESCRIPTION

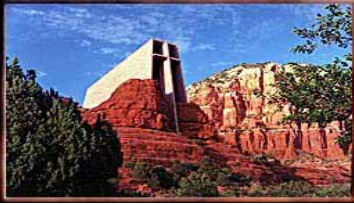
Sedona is located in the breathtaking Red Rock country of Northern Arizona, at the base of the Coconino National Forest (the largest forest of Ponderosa Pines in the World).



Thousands of years ago, the Sedona area was submerged below an inland sea channel. The erosion of the water channel caused a canyon to form out of the red colored sandstone, which was at the seabed. As the sea recessed, the Sedona area emerged at the base of what is now called the Oak Creek Canyon, and is surrounded by the remains of the red sandstone mountains which originally held the inland sea channel. The result is a magnificently scenic wooded area, which attracts **over 4,000,000 tourists per year** (1.5 times the population of the largest city in Arizona, Phoenix/Scottsdale).

Situated at an elevation of approximately 4,500 feet, it enjoys four relatively mild seasons that accommodate the many activities this area offers. While it benefits from its proximity to the wonder of the Grand Canyon (100 miles to the North), the winter recreation in nearby Flagstaff (approximately 35 miles to the North) and the shopping and cultural activities in Scottsdale (120 miles to the South), Sedona has become a vacation destination in its own right.

SEDONA AREA PHOTOS



Chapel Rock, Sedona



Sedona Sunset



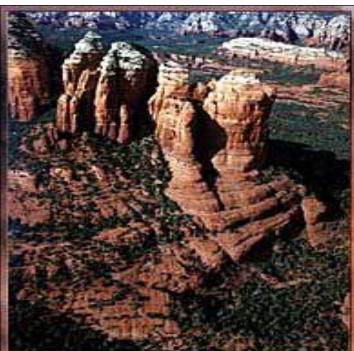
Sedona Rainbow



Steamboat Rock, Sedona



Sedona Winter



Coffee Pot Rock, Sedona

AREA DESCRIPTION (CONT'D)

The influx of an affluent population from other parts of the United States has given Sedona a nationally known image as a year-round tourist area, second home and affluent retirement area. Recent years have provided Sedona with a level of visibility that is rapidly spreading worldwide. Sedona's dramatic red rock setting has been written about in the New York Times, Los Angeles Times, Wall Street Journal, USA Weekend, Forbes, Lifestyles of the Rich and Famous, Good Morning America and Life Magazine, just to name a few.

According to a recent study by a local survey firm, Arizona residents account for only 30 percent of Sedona area visitors. California is the second most significant source of visitors, accounting for approximately 20 percent, while the Midwest, Northeast and Southern regions of the U.S., along with other Western states, each account for an additional 10 percent of visitors. Foreign countries account for the balance of Sedona's visitors.

Approximately 60 percent of visitors arrive in Sedona by car, while an additional 25 percent arrive in Arizona, first by plane, and then travel to Sedona by car. Overall, tourists named sightseeing and art galleries as the primary reasons for visiting the Sedona area and approximately 40 percent of the visitors travel to Sedona more than once per year. Next to scenery, the weather is a major factor for Sedona's popularity as the average daily maximum temperature is 74.7 degrees (F) and only 17.15 inches of precipitation annually. It should be noted that the average snow, sleet and hail equates to 8.8 inches.

The appeal of Sedona and the surrounding area has resulted in significant population growth. From 1990 to 2000, the year-round population base increased more than 43%. Not only has the population base of Sedona and the Village of Oak Creek expanded rapidly, it has done so while maintaining an affluent retirement orientation. Moreover, Sedona maintains a per capita income approximately 50% above the Arizona average. The retirement orientation is also evident, as the median age of Sedona and the Village of Oak Creek residents is 54.9 and 50.0 years respectively, substantially above the state average of 32.2 years.

You may visit the following web addresses for detailed information on Sedona:

The City of Sedona

<http://www.city.sedona.net/>

The Sedona Chamber of Commerce

<http://www.sedonachamber.com/>

<http://www.visitsedona.com/>

Sedona On-Line

<http://www.sedona.net/>

COMPANY BIO

John D. Miller Real Estate Services, Inc. is a professional, full-service real estate company offering expertise in commercial real estate brokerage and development, business opportunity brokerage, land brokerage, general real estate consultation, regulatory and zoning consultation, commercial property management, and commercial leasing. John D. Miller established the firm in 1989 after nine successful years in the Texas commercial real estate market. John D. Miller Real Estate Services, Inc., is owned and operated with the philosophy that real estate service should be:

Professional - Conducted with integrity and in accordance with the Code of Ethics and Standards of Practice established by the Arizona Department of Real Estate and our local Association of Realtors.

Competent - Conveying a current and accurate knowledge of the local and national real estate markets, current events, and laws and regulations that affect real estate transactions.

Personal - Taking into account each person's individual needs while resolving those issues in an assertive, yet friendly and caring manner.

JOHN D. MILLER

After graduating from the University of Texas at Austin with a degree in Finance and Business Administration, John was selected from 500 applicants to participate in the CB Commercial 2-year national training program.

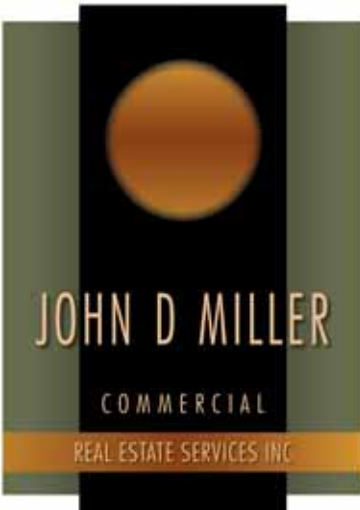
The program was a pilot effort to intensively train new commercial real estate brokers in property management and leasing, mortgage brokerage, equity brokerage, development, appraisal services, construction, and institutional liaison services.

After graduating from the program and during his first year in commercial brokerage, he received national recognition as the highest first year producer for the southern United States. John later participated in opening CB Commercial's San Antonio and Austin offices.

After nine years in the Texas market and over \$90,000,000 in sales, he relocated to Sedona in June of 1988.

Since moving to Sedona, he has transacted over \$120,000,000 in commercial brokerage business and has been involved in the development of commercial projects with an aggregate value of over \$45,000,000. John also is responsible for the legal, financial, and political aspects of our development activities.

He is founder of the Sedona Private Property Owners Association, which is involved in the protection of Sedona private property owners' rights.



John D. Miller, Broker



**Mary Jo Koppen
Personal Assistant
Escrow Manager**

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