

JACK IN THE BOX

31 JUNCTION DRIVE, GLEN CARBON, IL 62034

Confidential Offering Memorandum



in the box



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Confidential Offering Memorandum

This Offering Memorandum contains select information pertaining to the business and affairs of the property at 31 Junction Drive, Glen Carbon, IL. It has been prepared by Colliers International. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Colliers International. The material is based in part upon information supplied by the Seller and in part upon financial information obtained by our agents from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum from Colliers International, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Colliers International expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Colliers International or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property. This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.



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Offering Summary

Price	\$2,670,000
Net Operating Income	\$135,000
Capitalization Rate - Current	5.00%
Rent per SF	\$54.74
Lease Type	Absolute Net
Gross Leasable Area	2,466 SF
Year Built / Renovated	1999 / 2014
Lot Size	0.8 AC

Financing

Loan Amount	\$1,112,000
Loan Type	Financed - New Loan
Loan to Value	40.00%
Interest Rate / Amortization	5.25% / 20 Years
Annual Loan Payment	\$89,918
Net Cash Flow After Debt Services	2.70% / \$45,082
Cash on Cash Return	2.70%
Total Return	0.00% / \$77,390



INVESTMENT OVERVIEW

Investment Summary

Colliers International is pleased to exclusively offer this absolute net leased to Jack in the Box located at 31 Junction Drive in Glen Carbon Illinois.

The Property is positioned at a four corner signalized intersection at the gateway to Cottonwood Plaza, a regional power center located in Glen Carbon, Illinois (St. Louis, MO MSA). Cottonwood Plaza is anchored by a Wal-Mart Super Center, Lowes Home Improvement Center, PetSmart, Office Max, Applebee's and Denny's. The Jack in the Box is in close proximity to Home Depot, Sam's Club, Walgreen's, CVS, Aldi, KFC, QuikTrip, US Bank, Regions Bank, Mattress Firm, Jimmy Johns, Culvers and Hardee's. The property consists of a 2,644 square foot brick masonry building with drive-thru, situated on a 34,850 square foot lot. The property fronts IL-159, a major North-South state highway with over 26,000 vehicles per day and growing. Average Household Incomes are over \$100,489 within a 3 mile radius.

Jack in the Box recently entered into a new 10 year Absolute Net Lease in April 2017. The lease is corporately guaranteed by Jack in the Box, Inc. a \$1.55 Billion public company trading under the symbol JACK on Nasdaq. The lease features fixed 8% rent increases every 5 years and four 5-year options to renew at the same 8% percent rent escalators.

Glen Carbon/Edwardsville is the county seat of Madison County, the home of Southern Illinois University Edwardsville, a major employer with over 14,000 students. The area has 39,000 within 3 miles and over 63,000 in a 5 mile radius. With its high quality of life and close proximity as a suburb of St Louis, MO, the area was recently selected by Amazon as the location for its regional logistics hub, as Edwardsville/Glen Carbon is a strategic logistics hub and home to a number of tech and logistics companies.

HIGHLIGHTS

- Absolute Net Lease-Corporate Guaranteed
- Walmart & Lowe's Anchored Center
- 18 Year Operating History
- Highest Household Income in Metro East
- Irreplaceable Pad Location
- 5th largest Jack in the Box Market in USA

This property consists of a 2,644 SF freestanding Jack in the Box restaurant with drive-thru, situated on a 34,850 SF lot. The property fronts IL-159, a major North-South state highway with over 30,000 vehicles per day.



Tenant Summary



Led by an affable “CEO” with a Ping-Pong ball for a head, Jack in the Box is among the leading quick-service restaurant businesses in the US. The company operates and franchises about 2,200 of its flagship hamburger outlets in California, Texas, and more than 20 other states. Jack in the Box offers such standard fast-food fare as burgers, fries, and soft drinks, as well as salads, tacos, and breakfast items. About 415 locations are company-owned, while the rest are franchised.

In addition to its mainstay burger business, the company runs a chain of more than 700 Qdoba Mexican Grill fast-casual eateries through its Qdoba Restaurant subsidiary. Jack in the Box plans to sell Qdoba to private-equity firm Apollo Global Management for \$350 million in cash.

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CREDIT RATING: C1



www.fdreports.com | www.creditintell.com
January 21, 2018

Credit Rating Chart Comparison

Creditintell | F&Dreports

① Please note that our rating model is our own proprietary model and is not meant to align with other rating agency models. This comparison was compiled purely for informational purposes based on a representative sampling of ratings on various retailers.

RATING	CREDIT QUALITY	EST. S&P
A1	Excellent	AAA
A2	Excellent	AA (+/-)
B1	Good	A (+/-)
B2	Good	BBB (+/-)
C1	Satisfactory	BB (+/-)
C2	Satisfactory	B+
D1	Below Satisfactory	B
D2	Below Satisfactory	B-
E1	Poor	CCC+/CCC
E2	Poor	CC
F1	Critical	C
F2	Critical	D





GENERAL INFORMATION

Address	9330 Balboa Avenue San Diego, CA 92123
Phone	858-571-2121
Website	www.jackinthebox.com

KEY PERSONNEL

Chief Executive Officer & Chairman	Leonard A. Comma
Chief Financial Officer	Jerry P. Rebel

STORE BASE

Store Count	2,250
TTM Sales	\$1,495,196,000

FINANCIAL MARKETS

Stock Ticker	JACK
Current Price	\$89.25 as of 8/13/18
52 Week High / Low	\$108.55 / \$79.23

Location Overview

Glen Carbon/Edwardsville is the county seat of Madison County, the home of Southern Illinois University Edwardsville, a major employer with over 14,000 students. The area has 39,000 within 3 miles and over 63,000 in a 5 mile radius. With its high quality of life and close proximity as a suburb of St Louis, MO, the area was recently selected by Amazon as the location for its regional logistics hub, as Edwardsville/Glen Carbon is a strategic logistics hub and home to a number of tech and logistics companies.

DEMOGRAPHICS

5 Mile Radius



57,521
residents



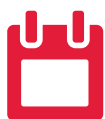
2,084
businesses



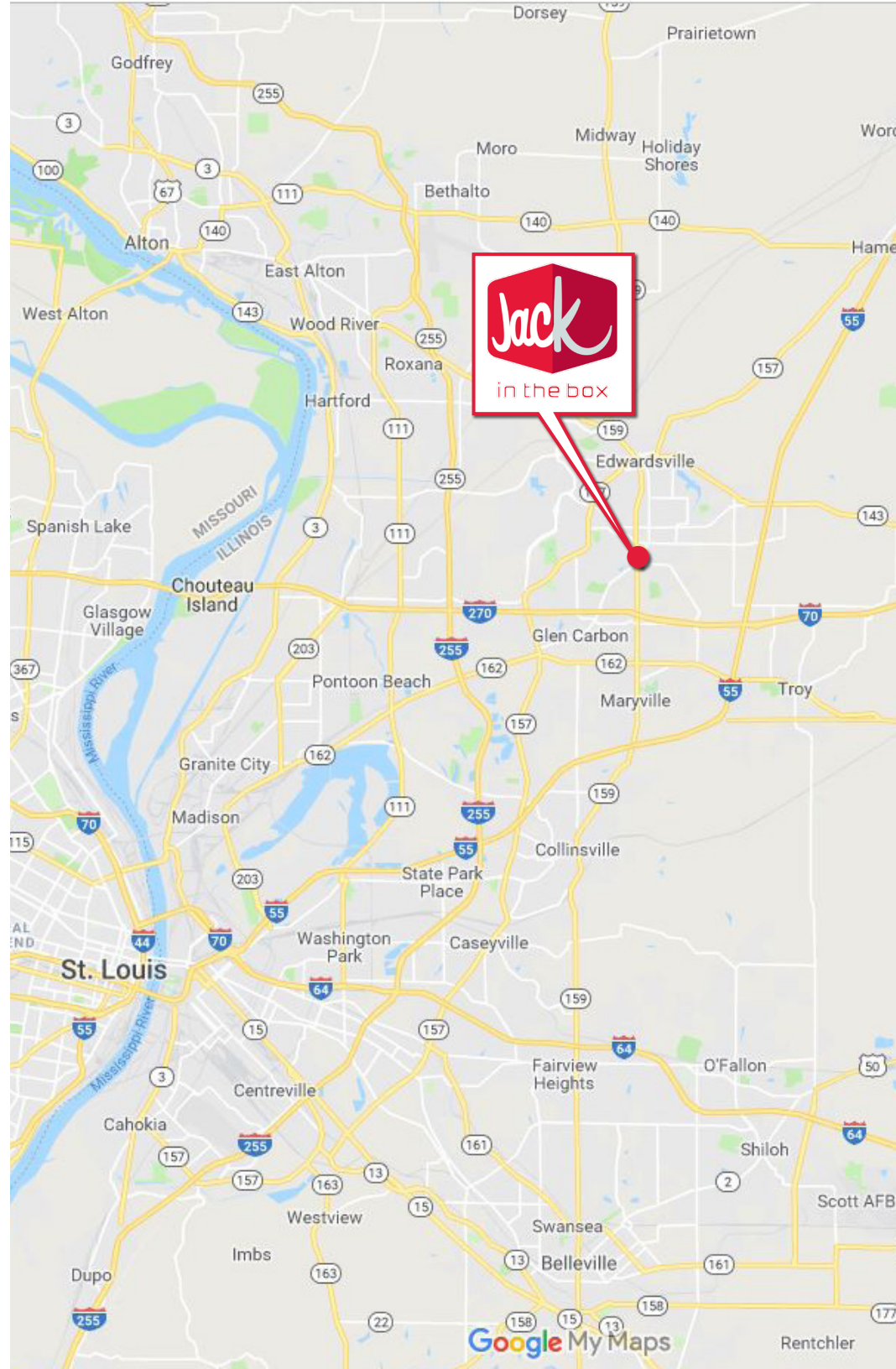
\$94,064
avg. HH income



30,494
employees



35.6
median age



Location Overview



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The Offering

Property	Jack in the Box
Address	31 Junction Drive Glen Carbon, IL 62034
Price	\$2,670,000
Cap Rate	4.86%

Property Description

Year Built / Renovated	1999 / 2014
Gross Leasable Area	2,466 SF
Zoning	Commercial
Type of Ownership	Fee Simple
Lot Size	0.8 AC



FINANCIAL ANALYSIS

Lease Summary

Property Subtype	Net Leased Restaurant
Tenant	Jack in the Box
Rent Increases	10% Every 5 Years
Guarantor	Corporate Guarantee
Lease Type	Absolute Net
Lease Commencement	April 28, 2017
Lease Expiration	April 27, 2027
Lease Term	10 Years
Term Remaining on Lease	8+ Years
Renewal Options	Four Five-Year Options
Landlord Responsibility	None
Tenant Responsibility	All
Right of First Refusal / Offer	No

Annualized Operating Information

INCOME

Net Operating Income	\$135,000
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RENT SCHEDULE

YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
Current	\$135,000	\$11,250	\$54.74	4.86%
April 28, 2022	\$145,800	\$12,150	\$59.12	5.24%
April 28, 2027 - Option 1	\$157,464	\$13,122	\$63.85	5.66%
April 28, 2032 - Option 2	\$170,061	\$14,172	\$68.96	6.12%
April 28, 2037 - Option 3	\$183,666	\$15,306	\$74.48	6.61%
April 28, 2042 - Option 4	\$198,359	\$16,530	\$80.44	7.14%



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PROPERTY EXCLUSIVELY LISTED BY:

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