

CIRCLE K

Tempe, AZ



OFFERING MEMORANDUM

1406 West Broadway Road
Tempe, Arizona 85282

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Investment Highlights

PRICE: \$2,458,350 | CAP: 6.00% | RENT: \$147,501

About the Investment

- ✓ Absolute Triple-Net (NNN) Lease
- ✓ 5.5 Years Remaining on an Original 20 Year Lease
- ✓ Four (4), Five (5)-Year Tenant Renewal Options
- ✓ Corporate Guarantee from Alimentation Couche Tard, Inc. (TSE:ATD.B)

About the Location

- ✓ Major National Tenants in the Immediate Area Include: DoubleTree, McDonald's, Burger King, Jack in the Box, Chase, Popeyes, Walgreens, AutoZone
- ✓ Excellent Traffic Counts – West Broadway Road and U.S. Interstate 10 – 40,732 and 218,353 Vehicles Per Day, Respectively
- ✓ Phoenix Sky Harbor International Airport – Serves Over 43,921,000 Passengers Annually – Located Approximately Six Miles Away
- ✓ Two Miles from Arizona State University – Over 85,000 Students Enrolled

About the Tenant/Brand

- ✓ Circle K is one of the most widely recognized convenience store brands, known worldwide for quality products and great customer service.
- ✓ Circle K has over 8,000 stores in the U.S. in 41 States
- ✓ Alimentation Couche-Tard Inc. is a Canadian multinational operator of convenience stores. The company has 15,000 stores across Canada, the United States, Europe, Mexico, Japan, China, and Indonesia.



INVESTMENT SUMMARY

CIRCLE K

Welcome
— TO —
CIRCLE K!



Marcus & Millichap is pleased to present the exclusive listing for a Circle K property located at 1406 West Broadway Road in Tempe, Arizona. Built in 1986, this property consists of approximately 2,680 square feet of building space and sits on 0.50 acres of land.

This Circle K property has approximately 5.5 years remaining on an original 17-year triple-net (NNN) lease, which commenced on June 15th, 2007. The current rent is \$147,501. The initial lease term expires on June 30th, 2024, and is then subject to one, three-year option, followed by four, five-year options, and then two, ten-year options.

Circle K is the new, global convenience retail brand replacing the existing Mac's® retail brand in Canada, the Circle K® and Kangaroo Express® retail brands in the U.S. and worldwide, and the Statoil® retail brand in Europe. These are all brands owned by Canadian company Alimentation Couche-Tard Inc. ("Couche-Tard"), one of the world's leading convenience retailers. Couche-Tard has chosen to retain the company's founding Couche-Tard® retail brand in the Province of Quebec in Canada due to the specifics of that market. The existing Circle K is already Couche-Tard's largest and most international brand. It can be seen today serving the needs of customers in 14 countries around the world.





Financial Analysis

PRICE: \$2,458,350 | CAP: 6.00% | RENT: \$147,501

Property Description

Property	Circle K
Property Address	1406 West Broadway Road
City, State, ZIP	Tempe, Arizona 85282
Year Built / Renovated	1986
Building Size	+/- 2,680 SF
Lot Size	+/- 0.50 Acres
Type of Ownership	Fee Simple

The Offering

Annual Rent	\$147,501
CAP Rate	6.00%
Purchase Price	\$2,458,350
Price / SF	\$917
Rent / SF	\$55.04

Lease Summary

Property Type	Net Leased Gas Station & C-Store
Tenant / Guarantor	Alimentation Couche-Tard Inc.
Ownership Type	Public
Original Lease Term	17 Years
Lease Commencement	June 15 th , 2007
Lease Expiration	June 30 th , 2024
Lease Term Remaining	5.5 Years
Lease Type	Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Options to Renew	One (1), Three (3)-Year Option then Four (4), Five (5)-Year Options then Two (2), Ten (10)-Year Options

Rent Schedule

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Year 1	\$133,788	\$11,149	-
Year 2	\$133,788	\$11,149	-
Year 3	\$133,788	\$11,149	-
Year 4	\$133,788	\$11,149	-
Year 5	\$133,788	\$11,149	-
Year 6	\$140,477	\$11,706	5.00%
Year 7	\$140,477	\$11,706	-
Year 8	\$140,477	\$11,706	-
Year 9	\$140,477	\$11,706	-
Year 10	\$140,477	\$11,706	-
Year 11	\$147,501	\$12,292	5.00%
Year 12	\$147,501	\$12,292	-
Year 13	\$147,501	\$12,292	-
Year 14	\$147,501	\$12,292	-
Year 15	\$147,501	\$12,292	-
Year 16	\$154,876	\$12,906	5.00%
Year 17	\$154,876	\$12,906	-

TENANT OVERVIEW

A photograph of a Circle K convenience store storefront. The building has a tan facade with stone accents and large glass windows. A blue semi-circular sign is overlaid on the image with the text "Welcome TO CIRCLE K!".

Welcome
— TO —
CIRCLE K!

Circle K's success in the convenience retailing industry spans more than 60 years. Our roots trace back to 1951 when Fred Hervey purchased three Kay's Food Stores in El Paso, Texas. Little did anyone know that these stores would serve as the beginning of Circle K - one of the nation's leading convenience store chains. During the early years, Hervey's enterprising spirit enabled the company to make its mark in the southwestern part of the United States. He grew the Circle K chain into neighboring New Mexico and Arizona, which has been the company's home base since 1957.

During the next few decades, Circle K grew its retail network through a series of acquisitions, which were incorporated into the Circle K brand. By 1975, there were 1,000 Circle K stores across the US. In 1979, Circle K entered the international market when a licensing agreement established the first Circle K stores in Japan. The company's growth continued and by 1984 sales had reached \$1 billion.

In 1999, a franchise program was introduced to support operators looking to build a business with a leading convenience store brand. Now there are more than 7,000 Circle K sites operating in the US and thirteen other countries. Circle K has become one of the most widely recognized convenience store brands, known worldwide for quality products and great customer service.



Surrounding Area





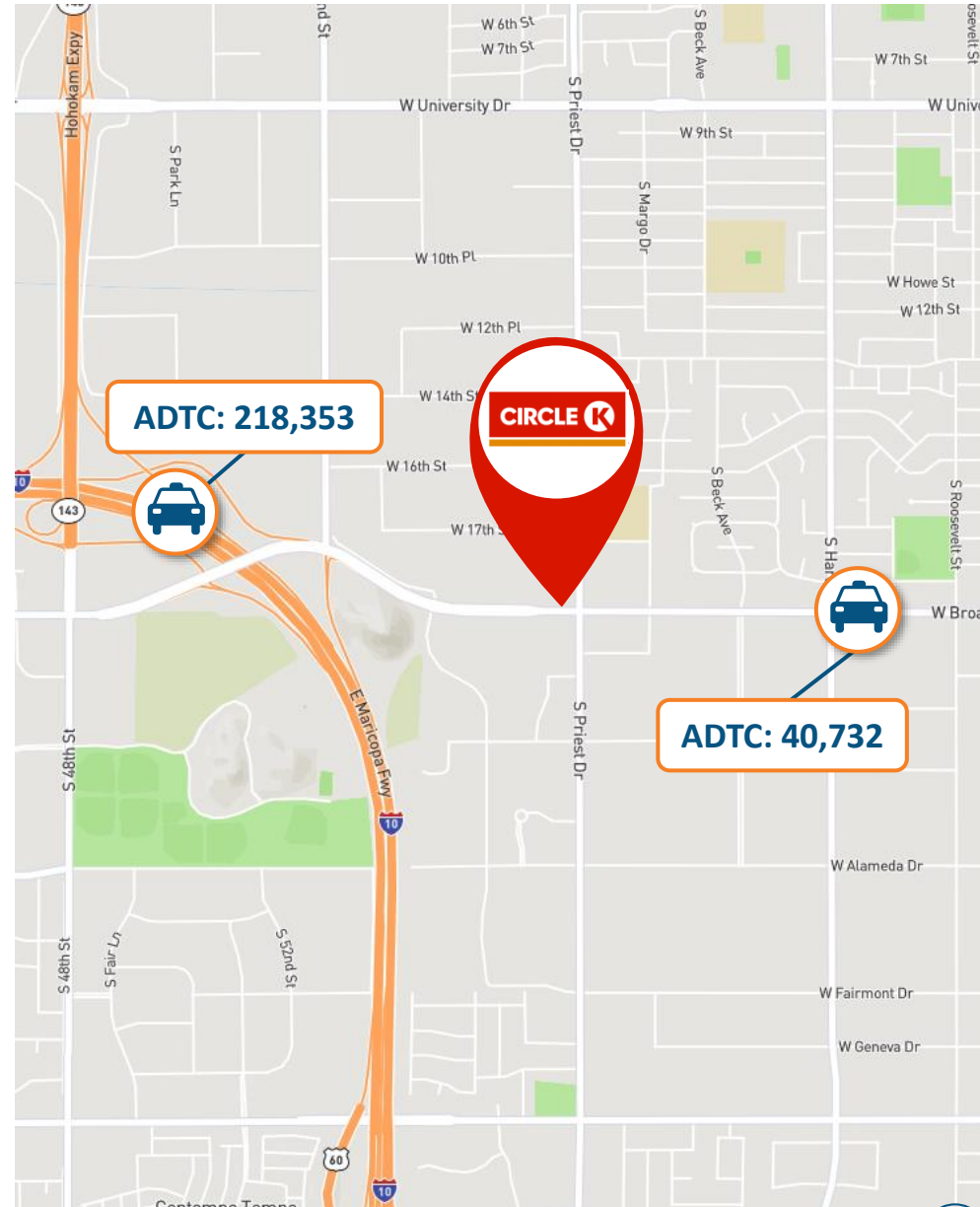
Location Overview

This Circle K gas station and convenience store property is located at 1406 West Broadway Road in Tempe, Arizona. Tempe is part of the Phoenix-Mesa-Chandler metropolitan statistical area (MSA) which is the 12th largest MSA in the country with a combined population of more than 4.5 million.

The subject property is well-positioned in an active, dense retail corridor, benefitting from its proximity to major national retailers, and a large concentration of industrial and corporate tenants. Major national tenants in the surrounding area include: McDonald's, Burger King, Denny's, BMO Harris Bank, Uber, DoubleTree, Starbucks, Jersey Mike's Subs, Jack in The Box, Filiberto's Mexican Food, Arizona Donut Co., Domino's Pizza, Pizza Hut, Chase Bank, Wells Fargo, AutoZone, Walgreens, Popeyes, Motel 6, Arby's, as well as many others. Tempe High School and Holdeman Elementary School are in close proximity to the subject property. The two schools have a combined enrollment of over 2,150 students. Arizona State University is approximately two miles away and has over 85,000 students enrolled. Additionally, Phoenix Sky Harbor International Airport is located seven miles away and served over 43,921,000 passengers in 2017.

The city of Tempe is an exciting mixture of Southwestern hospitality, prosperity and success. In the center of the Valley of the Sun, Tempe covers approximately 40 square miles and is home to more than 166,000 residents. The property is located off of West Broadway Road which has traffic counts of 40,732 vehicles per day. Nearby

Tempe has experienced dynamic growth and is rich in economics, technology, culture, tourism and educational resources. Tempe offers a blend of quality new developments, revitalization and redevelopment, and prestigious institutions. Tempe's prime location in the center of the thriving Phoenix metropolitan area contributes to its success in attracting and keeping dynamic companies within its borders. Some of Tempe's largest employers include Arizona State University, Salt River Project, Honeywell, Insight, the three school districts and the City of Tempe.





Property Photos





Property Photos



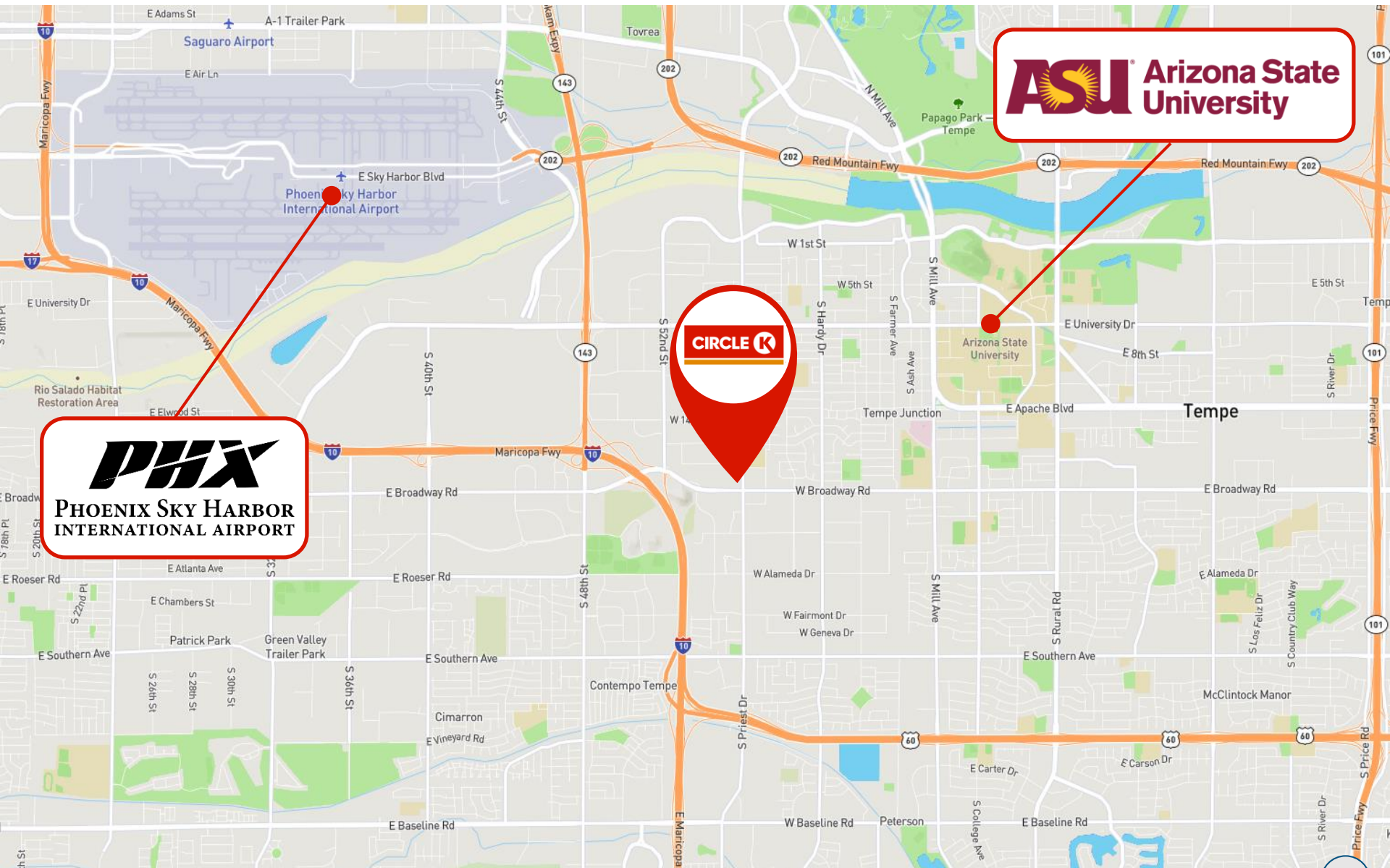


Surrounding Area Photos





Local Map



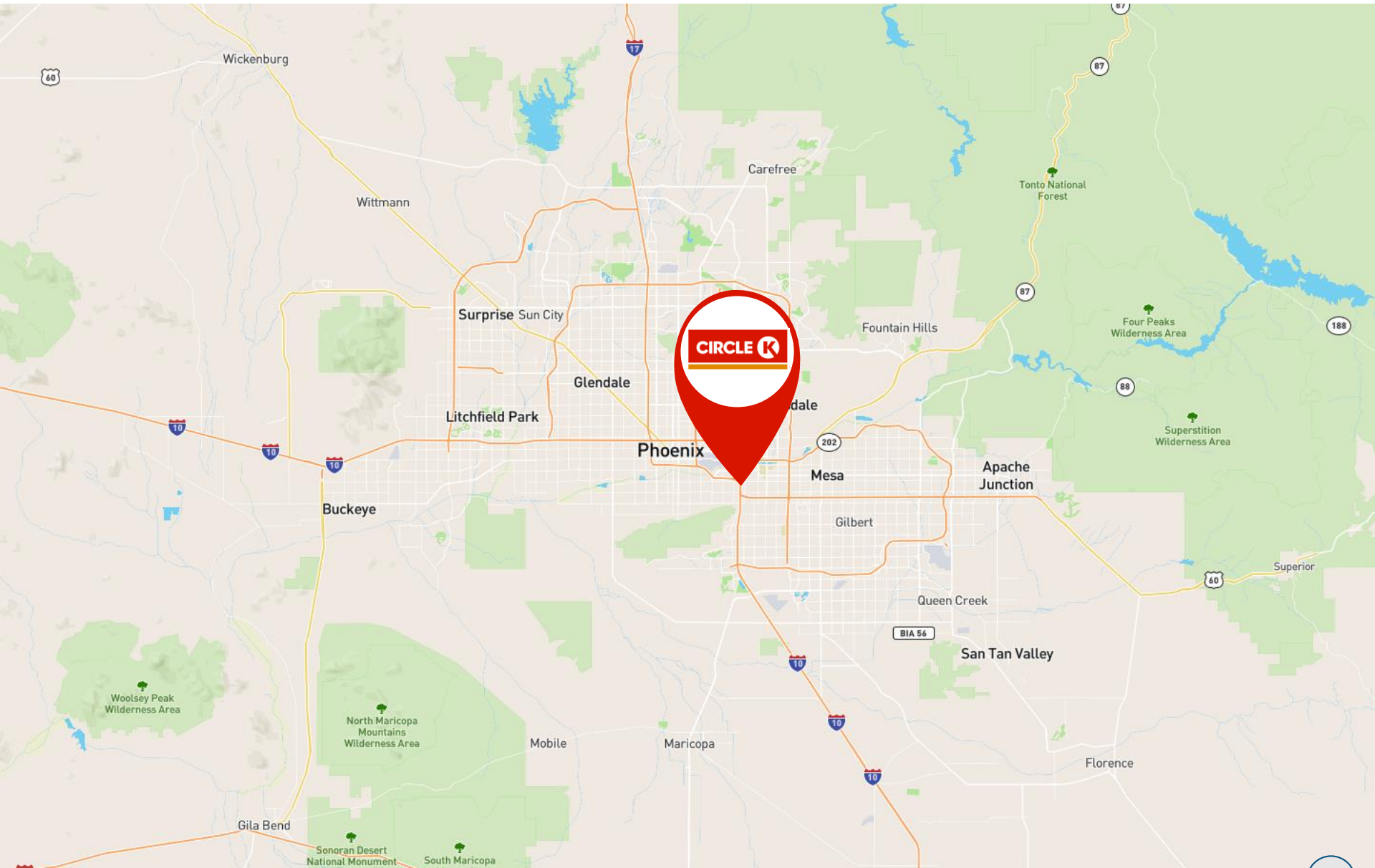
PHX
PHOENIX SKY HARBOR
INTERNATIONAL AIRPORT

CIRCLE K

ASU Arizona State University

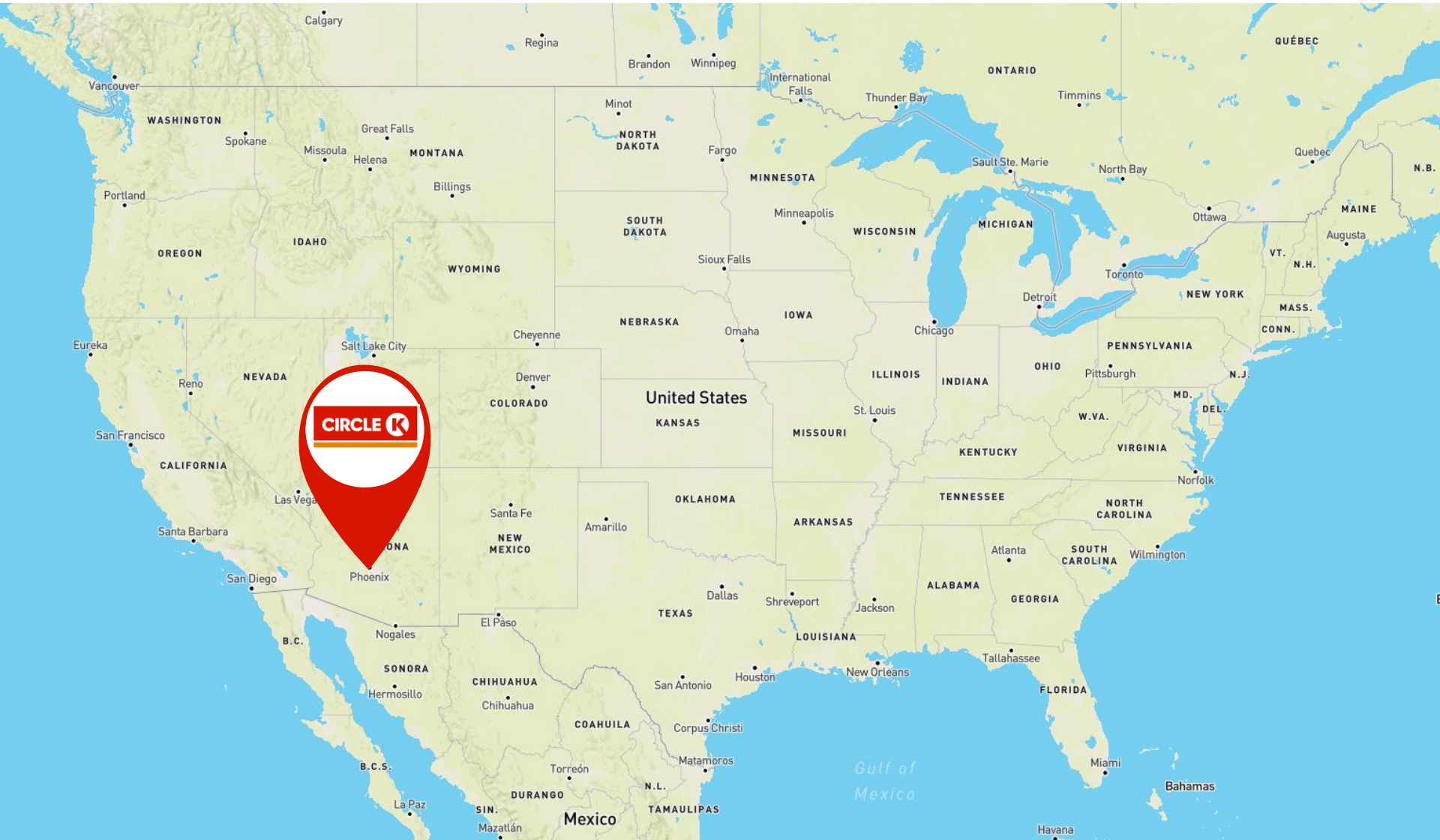


Regional Map



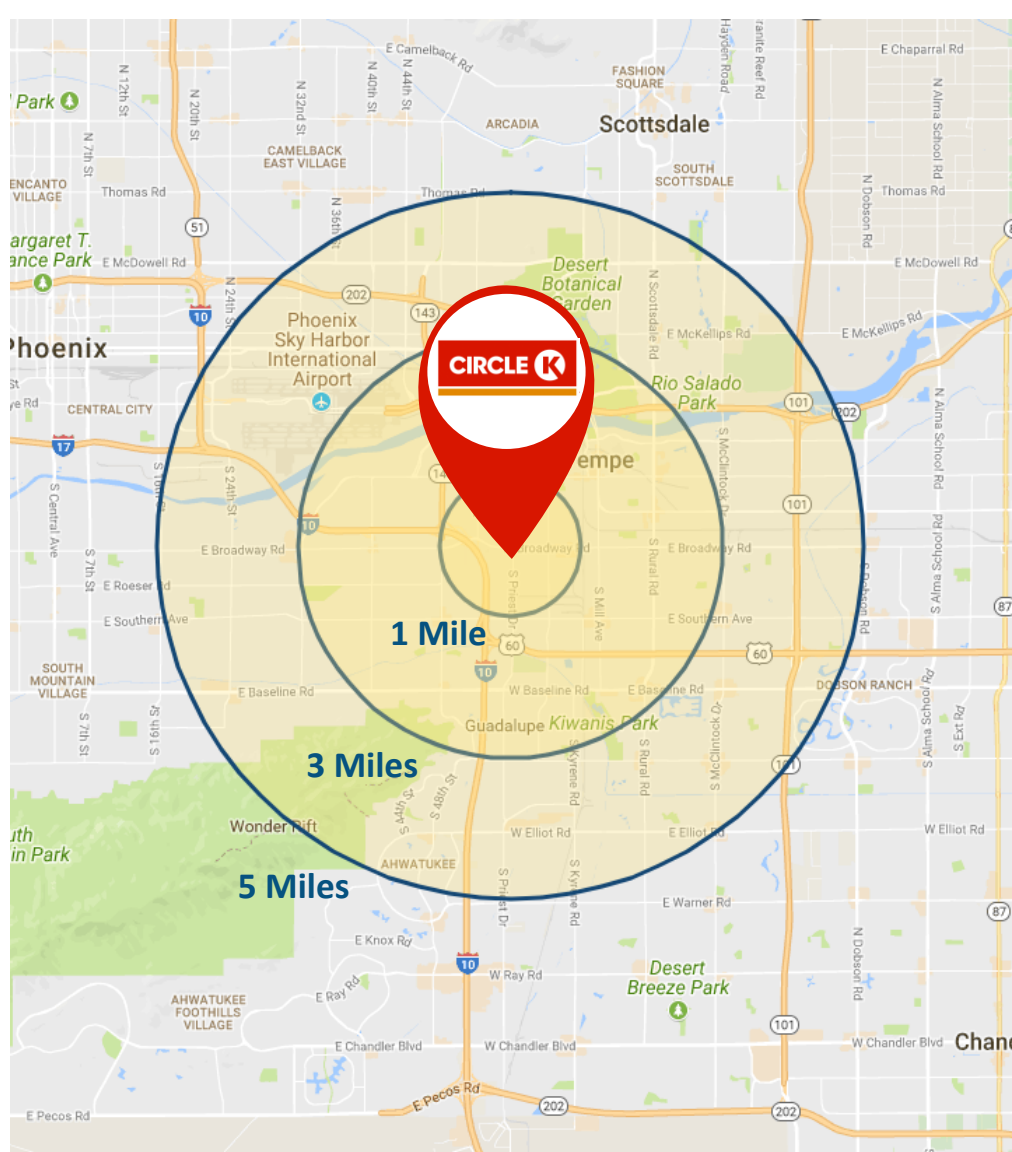


State Map





Demographics



1 Mile 3 Miles 5 Miles

Population Trends:

2023 Projection	8,308	129,652	341,211
2018 Estimate	7,651	120,105	315,185
2010 Census	6,629	103,544	273,816
Growth 2018-2023	8.59%	7.95%	8.26%
Growth 2010-2018	15.42%	15.99%	15.11%
2018 Population Hispanic Origin	2,042	36,808	106,475

Population by Race (2017):

White	6,026	88,089	237,685
Black	559	10,986	31,795
Am. Indian & Alaskan	452	8,234	17,952
Asian	275	7,613	15,586
Hawaiian & Pacific Island	47	672	1,457
Other	291	4,510	10,710

Household Trends:

2023 Projection	3,284	48,936	133,291
2018 Estimate	3,040	45,154	123,148
2010 Census	2,715	39,494	108,748
Growth 2018 - 2023	8.03%	8.38%	8.24%
Growth 2010 - 2018	11.97%	14.33%	13.24%
Owner Occupied	1,263	15,886	52,730
Renter Occupied	1,777	29,267	70,419

Average Household Income (2017):

Households by Household Income (2017):			
<\$25,000	833	12,838	31,925
\$25,000 - \$50,000	887	12,305	32,212
\$50,000 - \$75,000	429	8,591	23,970
\$75,000 - \$100,000	498	4,718	13,537
\$100,000 - \$125,000	148	2,430	8,233
\$125,000 - \$150,000	115	1,651	4,883
\$150,000 - \$200,000	68	1,557	4,897
\$200,000+	62	1,063	3,491



exclusive net lease offering

Marcus & Millichap

AZ Broker of Record
Ryan Sarbinoff – License #BR675146000