

TACO BELL

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM



Subject Property

13710 Beach Blvd – Jacksonville, FL 32224

Confidentiality and Disclaimer

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some

properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

CONFIDENTIALITY AND DISCLAIMER

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation, with respect to the

income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

NON-ENDORSEMENT NOTICE

Marcus & Millichap Real Estate Investment Services, Inc. ("M&M") is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of M&M, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of M&M, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.



Table of Contents

Investment Highlights	4
Financial Analysis	5
Concept Overview	6
Surrounding Area	7
Location Overview	8
Property Photo(s)	9-10
Surrounding Area Photo(s)	11
Local Map	12
Regional Map	13
Demographics / Market Overview	14-15





Investment Highlights

PRICE: \$3,325,000 | CAP: 6.00% | RENT: \$199,500



Optimal Lease Structure

- ✓ 11 Years Left On An Absolute Triple Net (NNN) Lease; Passive Investment Offering a Long-Term Security of Cash Flow
- ✓ Tenant Renewal Options: Four (4) Periods of Five (5) Years, Each Bringing the Potential Lease Term to Over 30 Years

Compelling Location Fundamentals

- ✓ Dense Retail Corridor | Target, Walmart, Walgreens, Hobby Lobby, Publix, Michael's, Chipotle, Dollar Tree, Chase Bank and Starbucks
- ✓ Affluent Suburban Community | Average Household Income Exceeds \$91,336 Within a One Mile Radius | Population Exceeds \$163,199 Within a 5-Mile Radius
- ✓ Unparalleled Location | Situated in Jacksonville | Fourth Largest City in Florida With a Population Exceeding 1,000,000 Residents
- ✓ Strong Academic Presence | University of North Florida and Florida State College at Jacksonville | Over 41,000 Students Enrolled Within a Fifteen-Mile Radius
- ✓ Strong Traffic Counts | 50,500 Vehicles Per Day on Beach Blvd

About the Tenant: Southeast QSR Holdings, LLC

- ✓ Southeast QSR Holdings, LLC owns and operates YUM! Brands franchises in Alabama, Florida, Georgia, Mississippi, and South Carolina.
- ✓ The company operates 58 Taco Bell restaurants and Pizza Hut Express restaurants.
- ✓ QSR Holdings, LLC was founded in 1987 and is based in Martinez, Georgia.



Representative Photo



LIVE
MÁS™



Financial Analysis

PRICE: \$3,325,000 | CAP: 6.00% | RENT: \$199,500



Property Description	
Property	Taco Bell
Property Address	13710 Beach Blvd
City, State, ZIP	Jacksonville, FL
Building Size (Square Feet)	2,803
Lot Size	+/- 0.96
Type of Ownership	NNN (Triple-Net)

The Offering

Purchase Price	\$3,325,000
CAP Rate	6.00%
Annual Rent	\$199,500

Lease Summary

Property Type	Net Leased Restaurant
Tenant	Southeast QSR Holdings LLC (58+ Unit Operator)
Guarantor	Franchisee
Original Lease Term	20.0 Years
Lease Expiration	November 30, 2029
Lease Term Remaining	11 Years
Lease Type	NNN (Triple-Net)
Roof & Structure	Tenant
Rental Increases	5% Every 5 Years
Options to Renew	Four, Five Year Options

Rent Schedule			
Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Current	\$199,500	\$16,625	-
Year 11	\$209,475	\$17,456	5.00%
Year 12	\$209,475	\$17,456	-
Year 13	\$209,475	\$17,456	-
Year 14	\$209,475	\$17,456	-
Year 15	\$209,475	\$17,456	-
Year 16	\$219,949	\$18,329	5.00%
Year 17	\$219,949	\$18,329	-
Year 18	\$219,949	\$18,329	-
Year 19	\$219,949	\$18,329	-
Year 20	\$219,949	\$18,329	-

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive sale-leaseback listing for a Taco Bell located at 13710 Beach Blvd in Jacksonville, Florida. The site consists of roughly 2,803 rentable square feet of building space and has 11 years left on a triple-net (NNN) lease. The initial annual rent will be \$199,500, which is scheduled to increase throughout the base term and continuing through the four (4), five (5)-year tenant renewal options.



Concept Overview



General Information

Address	Irvine, CA
Website	https://www.tacobell.com/
Concentration	All 50 States – 27 Countries

About Taco Bell

Taco Bell Corp., a subsidiary of Yum! Brands, Inc. (NYSE: YUM), is the nation's leading Mexican-inspired quick service restaurant brand. From breakfast to late night, Taco Bell serves made-to-order and customizable tacos and burritos, among other craveable choices, and is the first QSR restaurant to offer American Vegetarian Association (AVA)-certified menu items. Taco Bell and its more than 350 franchise organizations proudly serve over 42 million customers each week through nearly 6,500 restaurants across the nation, as well as through its mobile, desktop and delivery ordering services.

Taco Bell's mobile app which, has been downloaded over 4.9 Million times, makes it easy to place a custom order and pay before the customer arrives. Some locations are also testing touchscreen-ordering kiosks. Taco Bell plans to have 8,000 restaurants in the US by the year 2023. Overseas, Taco Bell has over 400 restaurants excluding the Yum! China Division, with plans to add 2,000 more restaurants internationally within the next decade.

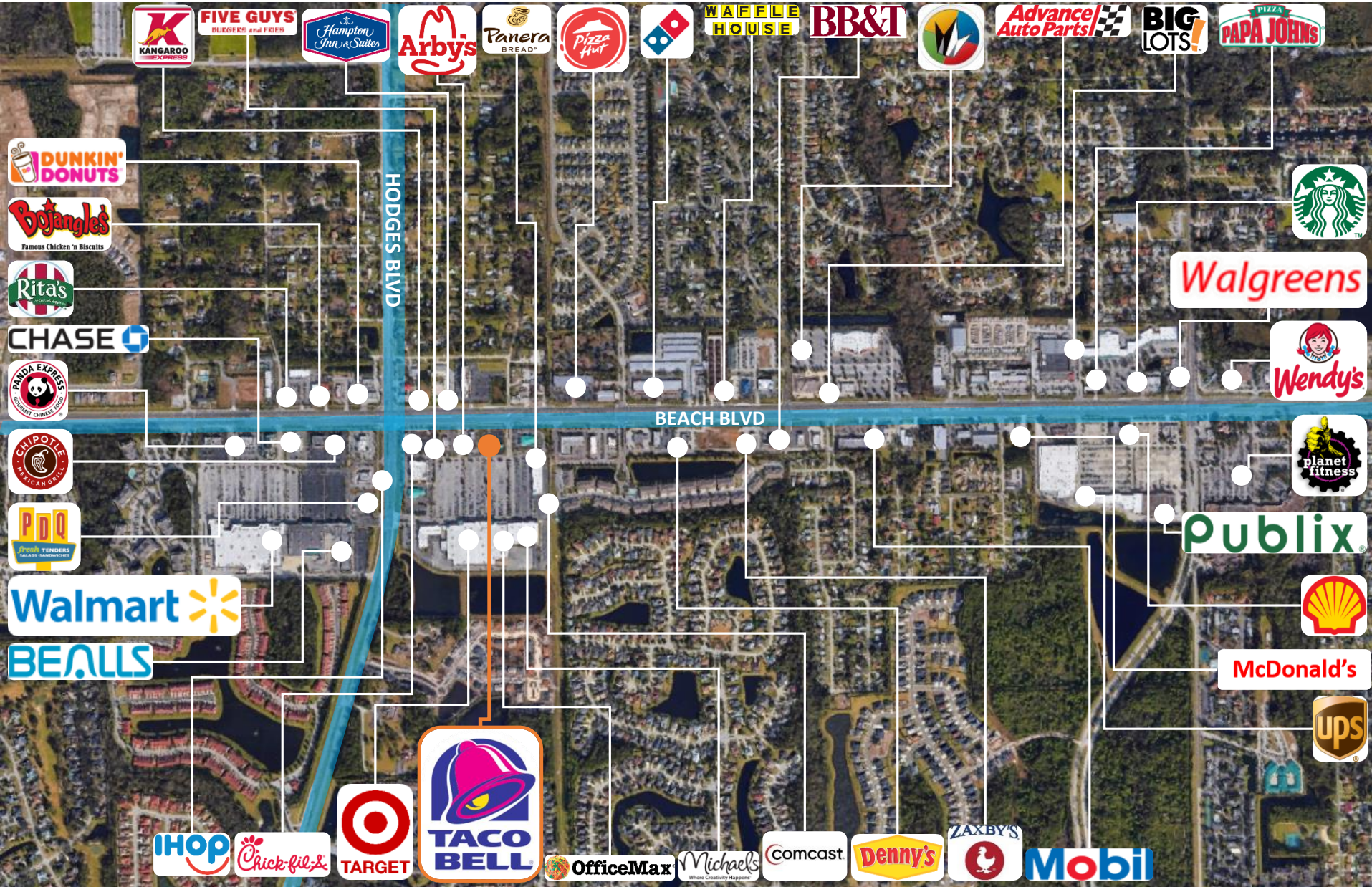
In 2017, Taco Bell's same-store sales increased 4% which was better than the overall quick-service sector. Taco Bell typically scores well in consumer surveys on its ability to innovate and give customers value.

Yum! Brands, Inc., based in Louisville, Kentucky, has over 45,000 restaurants in more than 135 countries and territories and is one of the Aon Hewitt Top Companies for Leaders in North America. In 2017, Yum! Brands was named to the Dow Jones Sustainability North America Index and ranked among the top 100 Best Corporate Citizens by Corporate Responsibility Magazine.



Surrounding Area

Property Address: 13710 Beach Blvd – Jacksonville, FL 32224





Location Overview

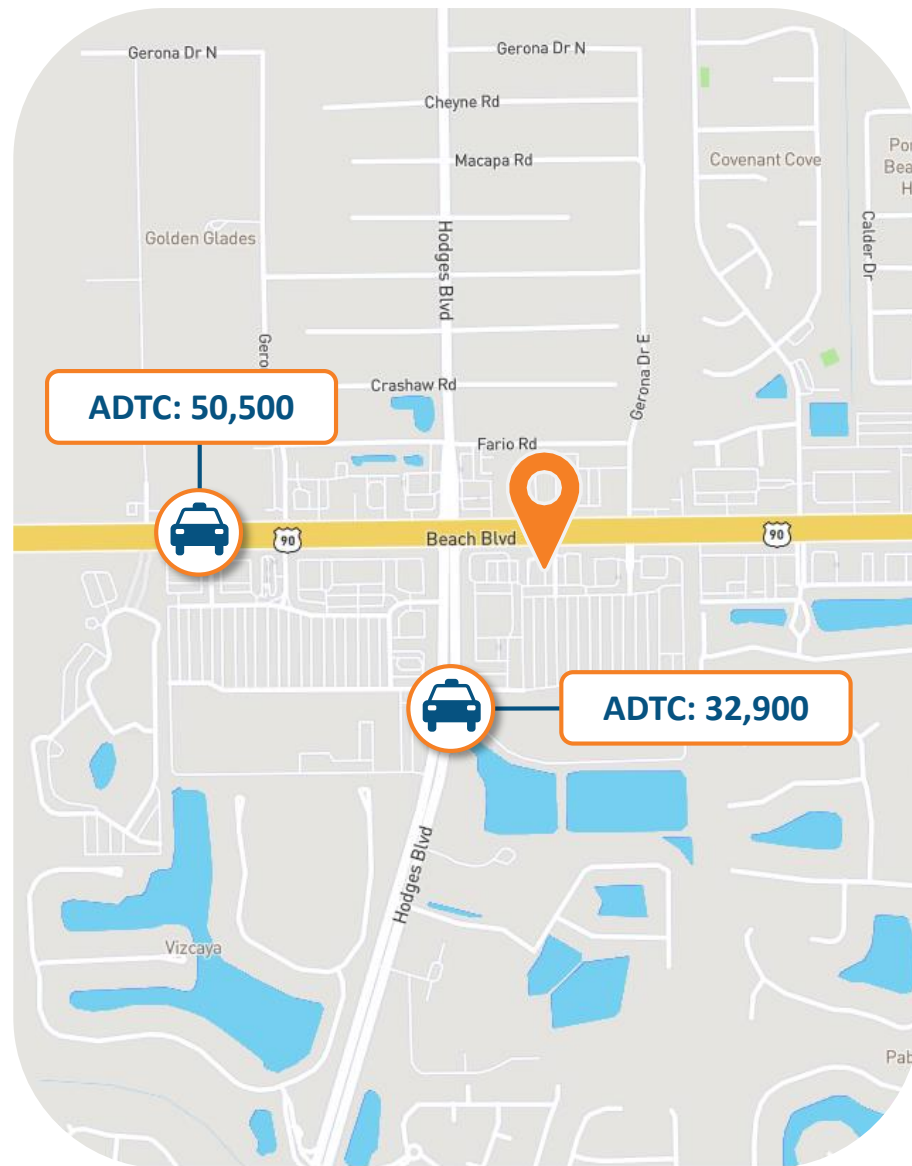
Property Address: 13710 Beach Blvd – Jacksonville, FL 32224



The subject investment property is situated on Beach Blvd, which boasts average daily traffic counts exceeding 50,500 vehicles respectively. Beach Blvd intersects with Hodges Blvd, which brings an additional 32,900 vehicles to the immediate area on average daily. There are more than 74,000 individuals residing within a three-mile radius of the property and more than 179,000 individuals within a five-mile radius. This Taco Bell is situated in an affluent suburban community with an average household income of over \$91,336 within a one-mile radius.

The subject property benefits from being well-positioned in a highly dense retail corridor consisting of national and local tenants, restaurants and shopping centers, all within close proximity of this property. Major national tenants include Walmart, Target, Walgreens, Publix, Regal Cinemas, Hobby Lobby, McDonald's, Wendy's, as well as many others. This Taco Bell property also benefits from its close proximity to several academic institutions. The most notable are University of Northern Florida and Florida State College at Jacksonville, which have a combined total enrollment exceeding 41,000 students and are both located within a 15-mile radius. Jacksonville International Airport, a fortress hub for Southwest Airlines, serves over 5,000,000 passengers annually and is located less than 25-miles from this Taco Bell property.

Jacksonville is a seaport city, the most populous city in the state of Florida, and the most populous city in the southeastern United States. The city is the cultural, commercial and financial center of Northern Florida. A major military and civilian deep-water port, the city's riverine location supports two United States Navy bases and the Port of Jacksonville, Florida's third-largest seaport. The Port of Jacksonville is a leading port in the United States for automobile imports, as well as the leading transportation and distribution hub in the state. Jacksonville serves as headquarters for various banking, insurance, healthcare, logistics, and other institutions. The city is home to many prominent corporations and organizations, including the headquarters of four Fortune 500 companies: CSX Corporation, Fidelity National Financial, Fidelity National Information Services, and Southeastern Grocers. Three colleges and universities lie within the city's limits: the University of North Florida, Jacksonville University, and Florida State College at Jacksonville. One professional sports team, the Jacksonville Jaguars of the National Football League, plays their home games in downtown Jacksonville.





Property Photo



Subject Property



Property Photo



Subject Property



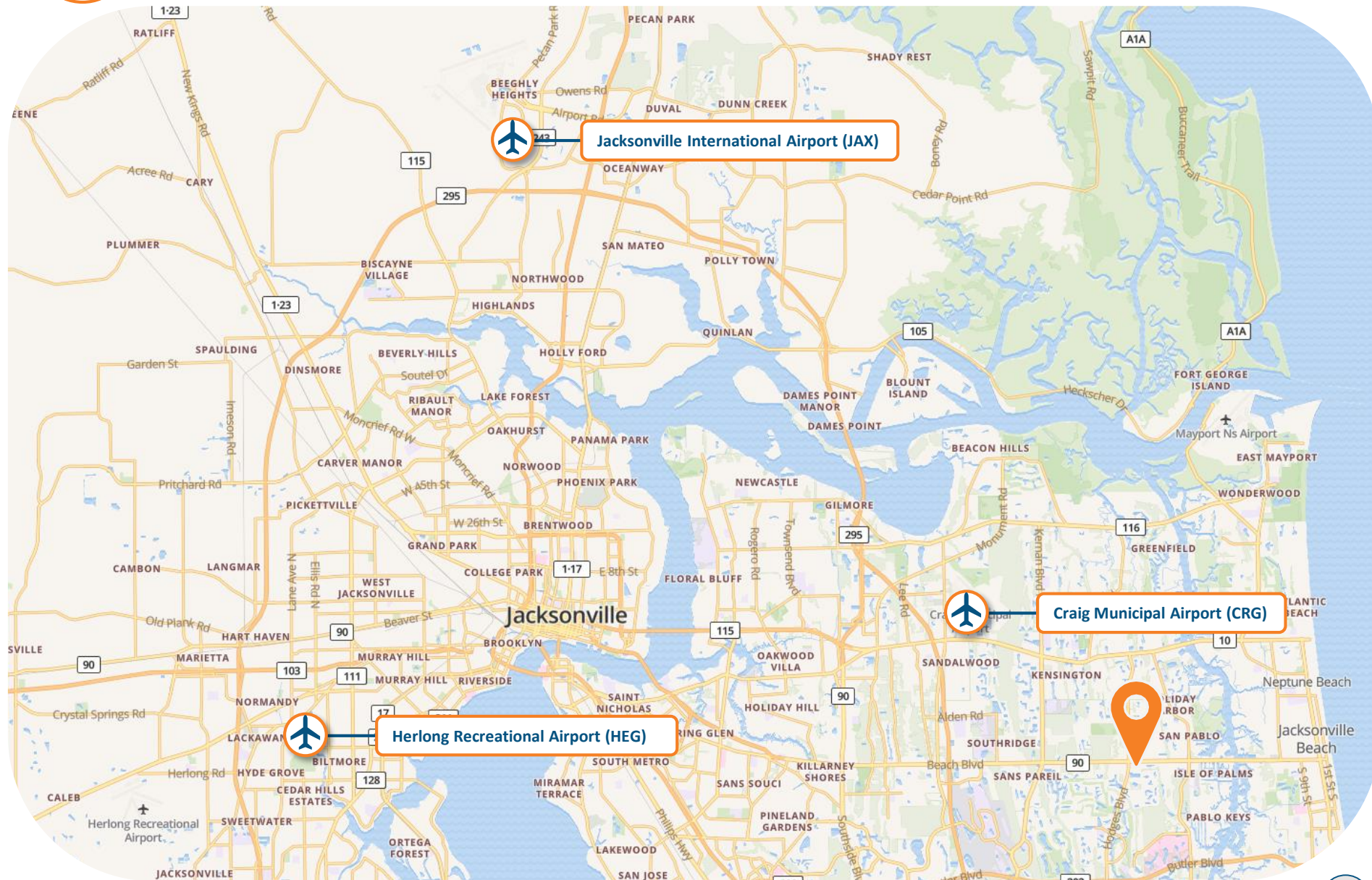
Surrounding Area Photos





Local Map

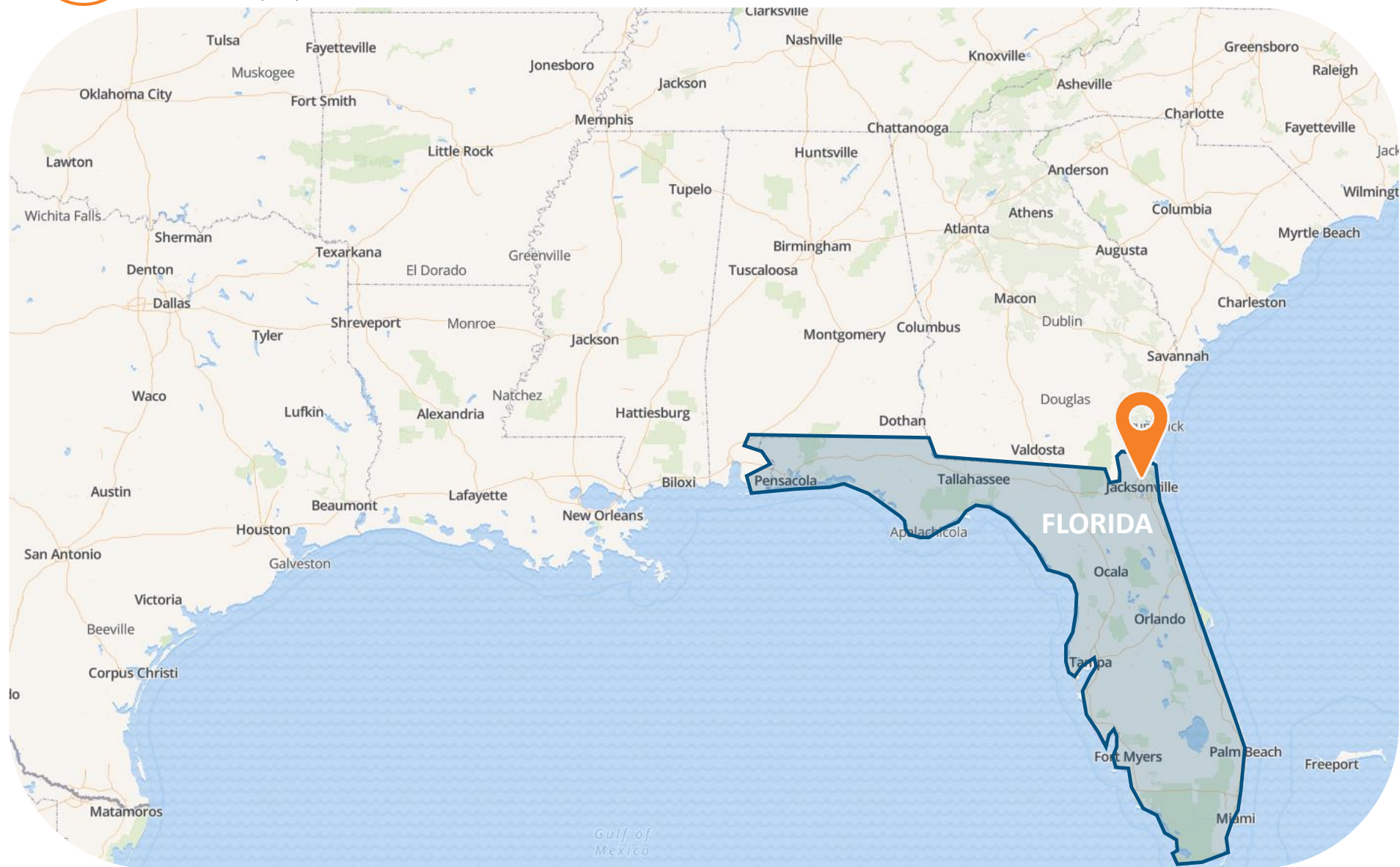
Property Address: 13710 Beach Blvd – Jacksonville, FL 32224





Regional Map

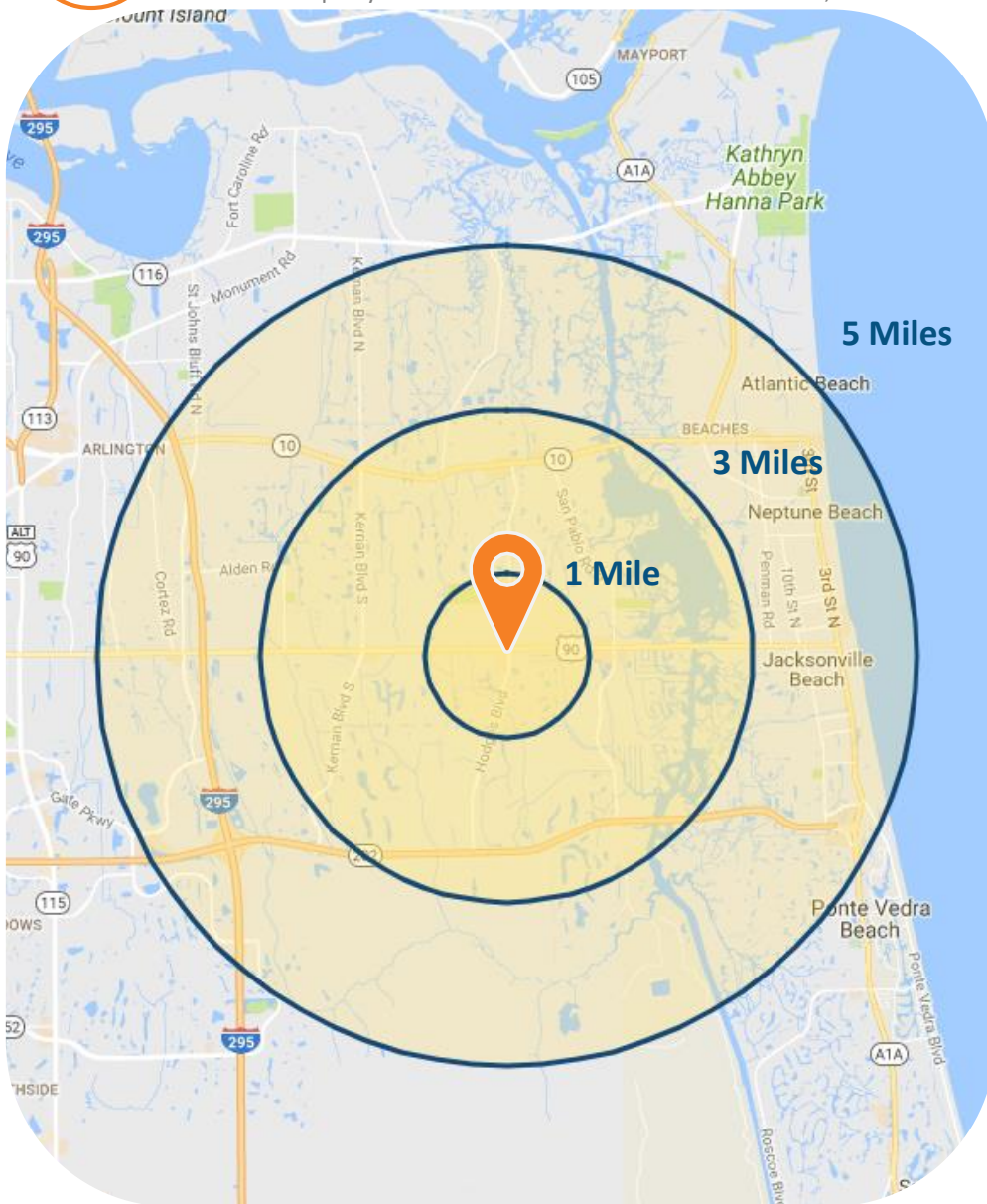
Property Address: 13710 Beach Blvd – Jacksonville, FL 32224





Demographics

Property Address: 13710 Beach Blvd – Jacksonville, FL 32224



POPULATION

	1 Mile	3 Miles	5 Miles
2022 Projection	11,036	74,485	178,897
2017 Estimate	9,364	66,943	163,199
2010 Census	8,637	61,385	150,783
2000 Census	7,901	50,564	125,474

INCOME

	1 Mile	3 Miles	5 Miles
Average	\$91,336	\$91,570	\$90,812
Median	\$62,419	\$65,020	\$62,974
Per Capita	\$38,182	\$36,570	\$36,651

HOUSEHOLDS

	1 Mile	3 Miles	5 Miles
2022 Projection	4,700	30,176	72,691
2017 Estimate	3,911	26,711	65,183
2010 Census	3,630	24,662	60,462
2000 Census	3,236	19,004	49,002

HOUSING

	1 Mile	3 Miles	5 Miles
2017	\$236,383	\$226,421	\$220,639

EMPLOYMENT

	1 Mile	3 Miles	5 Miles
2017 Daytime Population	7,016	47,824	158,222
2017 Unemployment	3.48%	3.44%	3.43%
2017 Median Time Traveled	26 Mins	25 Mins	25 Mins

RACE & ETHNICITY

	1 Mile	3 Miles	5 Miles
White	79.59%	75.21%	74.17%
Native American	0.04%	0.10%	0.12%
African American	6.20%	9.75%	11.18%
Asian/Pacific Islander	5.42%	7.23%	6.90%



Market Overview

City: Jacksonville | County: Duval | State: Florida

Jacksonville, FL

Jacksonville is a large city in northeastern Florida where the St. John's River meets the Atlantic Ocean. A regional business center, it has many museums and cultural offerings. Swimming and surfing are popular at nearby barrier island beaches such as Jacksonville Beach and Neptune Beach. Championship golf courses in the area include Ponte Vedra Beach's TPC Sawgrass, headquarters of the PGA Tour. Due to its convenient location, mild climate, reasonable cost of living, high quality of life and a business-friendly government, Jacksonville is a popular location for corporate expansions and relocations. Its status as an intermodal transportation hub is another incentive, and the city is also a leading distribution center, with a transportation network embracing port and air cargo facilities, rail and trucking routes. Millions of tons of raw materials and manufactured goods move through the city annually. With a growing population, a strong economy, diverse cultural and recreational opportunities and abundant natural resources, Jacksonville continues to distinguish itself as one of the nation's most dynamic and progressive cities. Home to various Fortune 1000 companies, Jacksonville was rated #5 Fastest-Growing City in America by Forbes.

Major Employers

Employer	Estimated # of Employees
Scott Lynch MD	5,214
Imortgage	3,601
University of North Florida	1,623
Landstar	1,266
American Heritage	816
Florida Community College	744
Student Transportation of America Inc	680
Walmart	660
Baptist Health	535
Baptist Health System Inc	535
Target	467

Marcus & Millichap



OFFERING MEMORANDUM



Ryan Nee
Marcus & Millichap
5900 North Andrews Ave., Suite 100
Fort Lauderdale, FL 33309
Tel: (954) 245-3400
Fax: (954) 245-3410
License: BK3154667



13710 Beach Blvd, Jacksonville, FL 32224