

Circle K Portfolio



Fairborn, OH

OFFERING MEMORANDUM



NNN
PRO GROUP

Marcus & Millichap

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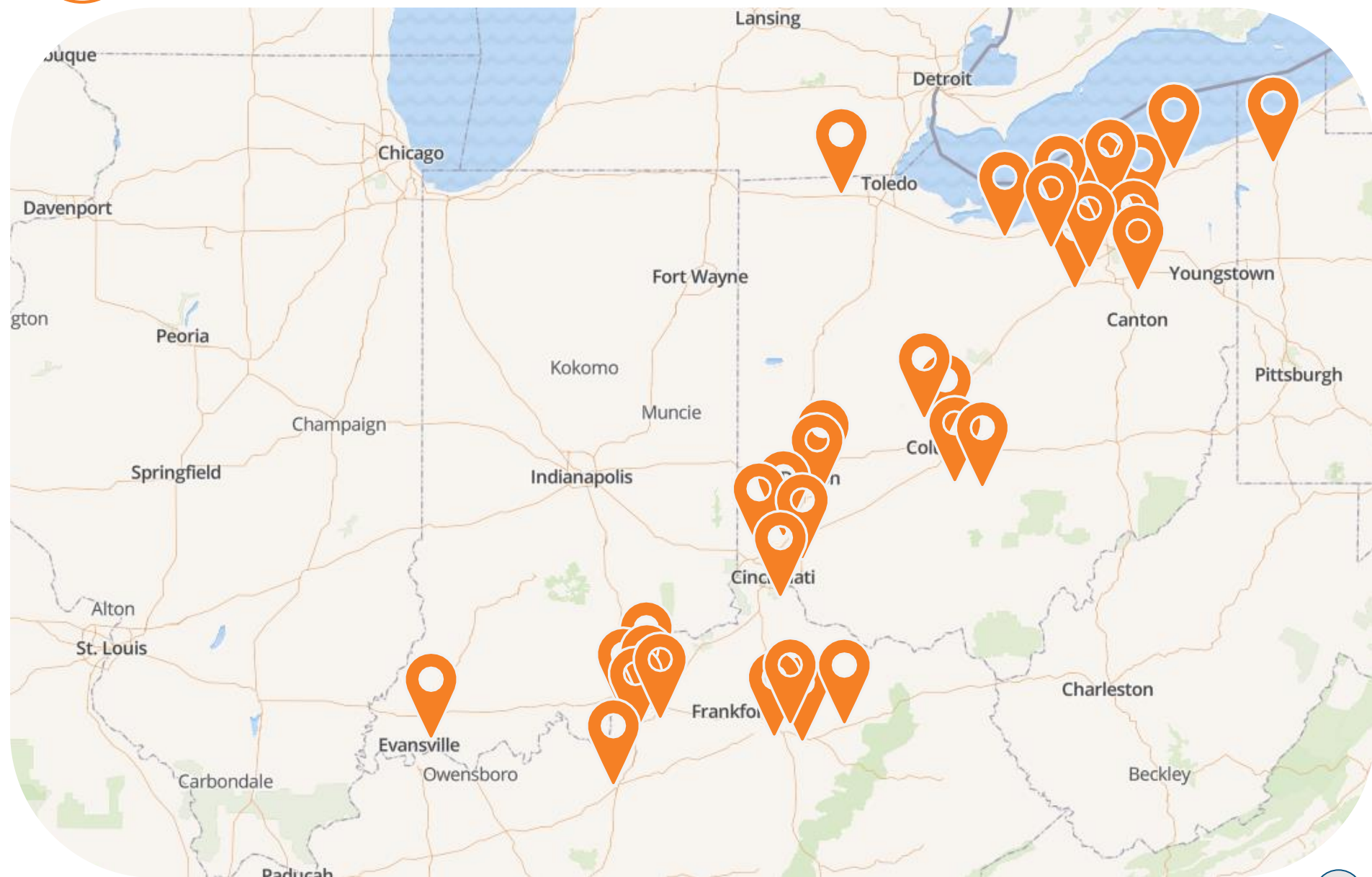
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Location Summary





Investment Highlights



About the Investment

- ✓ Long-Term, 17-Year Triple- Net (NNN) Lease | 6 Years Remaining
- ✓ Tenant Recently Executed First Five (5) Year Option Period
- ✓ 3% Rental Increases Every Two (2) Years
- ✓ Three (3), Five (5)-Year Tenant Renewal Option Periods Remaining

About the Brand

- ✓ Couche-Tard Inc. | TDX: ATD.A | Largest Independent Convenience Store Operator In Terms of the Number of Company-Operated Locations
- ✓ Couche-Tard Inc. Operates a Global Network That Encompasses Over 16,000 Locations Worldwide
- ✓ Mac's Convenience Stores has been a Part of the Couche-Tard Family Since 1999
- ✓ Mac's and Circle K Convenience Stores | Network of Over 5,900 Stores | More Than 4,100 Have a Road Transportation Fuel Dispensing Component
- ✓ Strategically Located in 11 Large Geographic Markets Across North America
- ✓ Circle K's Success Spans More Than 60 Years | Founded By Fred Harvey in El Paso Texas
- ✓ Acquired By Alimentation Couche-Tard in 2003 | Brand has Grown to Have Global Representation in More Than 20 Countries



Fairborn, OH



Milford, OH



Concept/Tenant Overview

Couche-Tard Inc.

Couche-Tard Inc., is the leader in the Canadian convenience store industry. In the United States, it is the largest independent convenience store operator in terms of the number of company-operated stores. In Europe, Couche-Tard is a leader in convenience store and road transportation fuel retail in the Scandinavian countries (Norway, Sweden, and Demark), in the Baltic countries (Estonia, Latvia, and Lithuania), as well as in Ireland and also has an important presence in Poland.

TDX: ATD.A



Couche-Tard Today

As of July 22, 2018, Couche-Tard's network was comprised of nearly 10,000 convenience stores throughout North America, including 8,961 stores with road transportation fuel dispensing. Its North American network consists of 19 business units, including 15 in the United States covering 48 states and 4 in Canada covering all 10 provinces. Approximately 105,000 people are employed throughout its network and at its service offices in North America. In addition, through CrossAmerica Partners LP, Couche-Tard supplies road transportation fuel under various brands to approximately 1,300 locations in the United States. Throughout the world, Couche-Tard has numerous partner companies, and through these companies, the total worldwide Couche-Tard network encompasses more than 16,000 stores.





Concept/Tenant Overview

Circle K Convenience Stores

Circle K's success in the convenience retailing industry spans more than 60 years. Their 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.



Representative Photo

The New Circle K Brand

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.





Concept/Tenant Overview

Mac's Convenience Stores

Mac's Convenience Stores are owned by Alimentation Couche-Tard, the largest convenience store operator in Canada. While primarily operating under the Alimentation Couche-Tard and Mac's trademarks in Canada, the American market is predominately run under the trademark of Circle K. Together, these brands form a network of over 5,900 convenience stores, 4,122 of which include road transportation fuel dispensing, located in 11 large geographic markets across North American. More than 105,000 people are employed through the Alimentation Couche-Tard retail convenience network and service centers.



Representative Photo



Representative Photo

The Mac's Story

The first Mac's store was opened in Richmond Hill, Ontario in 1961. Eleven years later with 375 convenience stores across Ontario, Silverwoods purchased Mac's. The name of Mac's Milk Ltd. was changed in 1975 to Mac's Convenience Stores Ltd. and another 43 stores were opened. Expansion into British Columbia, Alberta, Saskatchewan, and Manitoba in 1983 brought the total number of stores up to 700. Three years later, Mac's acquired the chain of Mike's Mart Convenience Stores in Northern Ontario and could proudly claim 825 locations. Corporate restructuring in 1992 created a new focus on smaller and more profitable retail stores. After acquiring Becker's Convenience Stores in Ontario and selling its US Stores, Mac's marked its thirty-fifth anniversary with 1,004 stores. A new milestone was reached in 1999. Alimentation Couche-Tard acquired Mac's and became the largest national convenience store network in Canada – a distinction it can still proudly boast today. From 2001 to 2004, Couche-Tard launched into the US market with the acquisition of Johnson Oil Company assets, Dairy Milk stores, and Circle K stores. Couche-Tard has been counted as the largest convenience store chain in North America since 2007.





Financial Analysis

PRICE: \$61,438,350 | CAP: 6.00% | Rent: \$3,686,301

Property Description

Property	Circle K Portfolio
States	IN, KY, PA, OH
Total Portfolio Square Footage	121,954
Total Portfolio Land Area (AC)	46.98

The Offering

Purchase Price	\$61,438,350
CAP Rate	6.00%
Annual Rent	\$3,686,301
Price Per Square Foot	\$504

Lease Summary

Property Type	Net-Leased Gas Station / Convenience Store
Tenant	Mac's Convenience Stores, LLC
Original Lease Term	17 Years
Lease Commencement	December 31, 2002
Lease Expiration	September 30, 2024
Lease Term Remaining	6 Years ¹
Lease Type	Triple-Net (NNN)
Rental Increases	Three Times the Change in CPI, Capped at 3% Every Two Years
Options to Renew	Three (3), Five (5)-Year

¹Tenant recently exercised 1st option period starting 10/1/2019

²Rent schedule based on assumed 3% rental increases every two years

Rent Schedule²

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Current Rent	\$3,686,301	\$307,192	-
10/1/2019 - 9/30/2020	\$3,686,301	\$307,192	-
10/1/2020 - 9/30/2021	\$3,796,890	\$316,408	3.00%
10/1/2021 - 9/30/2022	\$3,796,890	\$316,408	-
10/1/2022 - 9/30/2023	\$3,910,797	\$325,900	3.00%
10/1/2023 - 9/30/2024	\$3,910,797	\$325,900	-

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for the 34-property Circle K Portfolio, which consists of a total of 121,954 rentable square feet. The properties are subject to a 17-year triple-net (NNN) lease with 6 years remaining on the initial lease term, as the tenant recent exercised their first tenant renewal option period, leaving them with three (3) more five (5)-year option periods. The current annual rent is \$3,686,301 and is subject to rental increases of the increase in CPI every two years, capped at 3%, the next of which will occur on October 1st, 2020.





Individual Site Summary

Unit #	Street Address	City	State	Building Size (SF)	Land (AC)
7472	254 E. Broadway St.	New Lexington	OH	2,744	0.63
1018	830 Route 19 N	Waterford	PA	2,856	1.34
5143	134 S. Main St.	Creston	OH	3,280	0.73
7604	9274 Alexandria Pike	Alexandria	KY	3,280	1.00
724	1000 Amberley Way	Richmond	KY	2,744	1.32
5330	4163 Portage St NW	Canton	OH	3,756	2.73
5114	2349 Akron Rd.	Wooster	OH	3,756	1.22
110	4600 Wattbourne Ln	Louisville	KY	3,756	1.12
7526	6100 Dixie Hwy	Fairfield	OH	3,756	1.33
200	100 Bellerive Rd.	Nicholasville	KY	2,744	1.63
125	4701 S. 3rd St.	Louisville	KY	3,756	0.69
701	100 Lacy Ln.	Paris	KY	3,756	1.43
7215	1150 E. Dayton Yellow Springs Rd.	Fairborn	OH	3,756	1.33
4254	36170 Lake Shore Blvd	Eastlake	OH	3,756	1.19
7209	600 Orchard Ln.	Beavercreek	OH	3,756	1.88
7566	1213 State Route 28	Milford	OH	3,756	1.48
295	5000 Shepherdsville Rd.	Louisville	KY	3,756	1.46
5073	1497 N. Shoop Ave.	Wauseon	OH	3,756	1.65
4520	10916 US Route 250	Milan	OH	3,756	1.95
5212	2640 Fulton Dr. NW	Canton	OH	3,756	1.13
160	892 Indian Mound Dr.	Mount Sterling	KY	3,705	1.00
4523	4819 Broadway	Lorain	OH	3,756	1.81
120	8615 National Tpke	Fairdale	KY	3,756	1.15
7455	5065 Walnut St. S	South Bloomfield	OH	3,756	2.77
7545	7701 Main Street	Newtown	OH	3,756	1.13
5043	5075 Darrow Rd.	Hudson	OH	3,756	2.53
19	416 Stevens Way	Seymour	IN	3,756	1.29
7401	10215 Sawmill Pkwy	Powell	OH	2,744	1.55
5154	36071 Chester Rd.	Avon	OH	3,756	1.32
7335	3749 Twin Creeks Dr.	Columbus	OH	3,756	0.81
287	7959 Bardstown Rd.	Louisville	KY	3,755	1.00
4225	1480 Broadway Ave	Bedford	OH	3,832	0.90
299	3220 Leitchfield Rd.	Cecilia	KY	3,882	1.73
	8911 Day Drive	Parma	OH	3,756	0.74
Totals				121,954	46.98

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